

# SENATE MOTION

**MR. PRESIDENT:**

**I move** that Engrossed House Bill 1001(ss) be amended to read as follows:

- 1           Replace the effective date in SECTION 5 with "[EFFECTIVE JULY
- 2           1, 2003]".
- 3           Replace the effective dates in SECTIONS 21 through 23 with
- 4           "[EFFECTIVE JULY 1, 2003]".
- 5           Replace the effective date in SECTION 35 with "[EFFECTIVE
- 6           DECEMBER 1, 2002]".
- 7           Replace the effective dates in SECTIONS 46 through 50 with
- 8           "[EFFECTIVE DECEMBER 1, 2002]".
- 9           Replace the effective date in SECTION 51 with "[EFFECTIVE
- 10          JANUARY 1, 2003]".
- 11          Replace the effective date in SECTION 143 with "[EFFECTIVE
- 12          JULY 1, 2003]".
- 13          Replace the effective date in SECTION 176 with "[EFFECTIVE
- 14          DECEMBER 1, 2002]".
- 15          Page 1, between the enacting clause and line 1, begin a new
- 16          paragraph and insert:
- 17          "SECTION 1. IC 4-4-3.4-4 IS AMENDED TO READ AS
- 18          FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 4. (a) The value added
- 19          research fund is established for the purpose of providing money for the
- 20          center for value added research and the commissioner of agriculture to
- 21          carry out the duties specified under this chapter. The fund shall be
- 22          administered by the commissioner of agriculture.
- 23          (b) The fund consists of money appropriated by the general
- 24          assembly.
- 25          (c) The treasurer of state shall invest the money in the fund not
- 26          currently needed to meet the obligations of the fund in the same
- 27          manner as other public funds may be invested.
- 28          (d) Money in the fund at the end of a state fiscal year does not revert
- 29          to the state general fund.

(e) There is annually appropriated to the value added research fund eight hundred thousand dollars (\$800,000) from the state general fund for carrying out the purposes of the fund described in subsection (a).".

Page 1, between lines 6 and 7, begin a new paragraph and insert:

"SECTION 2. IC 4-4-9.3 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]:

**Chapter 9.3. Rural Development Administration Fund**

**Sec. 1. (a)** The rural development administration fund is established for the purpose of enhancing and developing rural communities. The fund shall be administered by the Indiana rural development council.

**(b)** The expenses of administering the fund shall be paid from the money in the fund.

**(c)** Notwithstanding IC 5-13, the treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund under IC 5-10.3-5. The treasurer of state may contract with investment management professionals, investment advisers, and legal counsel to assist in the management of the fund and may pay the state expenses incurred under those contracts.

**(d)** Money in the fund at the end of a state fiscal year does not revert to the state general fund.

**Sec. 2. (a)** Money in the fund may be used for the following purposes:

**(1)** To create, assess, and assist a pilot project to enhance the economic and community development in a rural area.

**(2)** To establish a local revolving loan fund for an industrial, a commercial, an agricultural, or a tourist venture.

**(3)** To provide a loan for an economic development project in a rural area.

**(4)** To provide technical assistance to a rural organization.

**(5)** To assist in the development and creation of a rural cooperative.

**(6)** To address rural workforce development challenges.

**(7)** To assist in addressing telecommunications needs in a rural area.

**(b)** Expenditures from the fund are subject to appropriation by the general assembly and approval by the Indiana rural development council under IC 4-4-9.5. The council may not approve an expenditure from the fund unless the rural development administration advisory board established by section 4 of this chapter has recommended the expenditure.

**Sec. 3. (a)** There is annually appropriated to the rural development administration fund two million dollars (\$2,000,000) from the state general fund for use in carrying out the purposes of section 2 of this chapter.

**(b)** The money appropriated by this section does not revert to

1 the state general fund at the close of any fiscal year but remains  
 2 available to the rural development administration fund until the  
 3 purpose for which it was appropriated is fulfilled.

4 Sec. 4. (a) The rural development administration advisory board  
 5 is established to make recommendations concerning the  
 6 expenditure of money from the fund.

7 (b) The advisory board shall meet at least four (4) times per  
 8 year and shall also meet at the call of the executive director of the  
 9 rural development council.

10 (c) The advisory board consists of the following members:

11 (1) The executive director of the Indiana rural development  
 12 council, who serves as an ex officio member and as the  
 13 chairperson of the advisory board.

14 (2) Two (2) members of the senate, who may not be members  
 15 of the same political party, and who are appointed by the  
 16 president pro tempore of the senate.

17 (3) Two (2) members of the house of representatives, who may  
 18 not be members of the same political party, and who are  
 19 appointed by the speaker of the house of representatives.

20 (4) A representative of the commissioner of agriculture, to be  
 21 appointed by the governor.

22 (5) A representative of the department of commerce, to be  
 23 appointed by the governor.

24 (6) A representative of the department of workforce  
 25 development, to be appointed by the governor.

26 (7) Two (2) persons with knowledge and experience in state  
 27 and regional economic needs, to be appointed by the  
 28 governor.

29 (8) A representative of a local rural economic development  
 30 organization, to be appointed by the governor.

31 (9) A representative of a small town or rural community, to be  
 32 appointed by the governor.

33 (10) A representative of the rural development council, to be  
 34 appointed by the governor.

35 (11) A representative of rural education, to be appointed by  
 36 the governor.

37 (12) A representative of the league of regional conservation  
 38 and development districts, to be appointed by the governor.

39 (13) A person currently enrolled in rural secondary education,  
 40 to be appointed by the governor.

41 (d) The members of the advisory board listed in subsection  
 42 (c)(1) through (c)(3) are nonvoting members.

43 (e) The term of office of a legislative member of the advisory  
 44 board is four (4) years. However, a legislative member of the  
 45 advisory board ceases to be a member if the member:

46 (1) is no longer a member of the chamber from which the  
 47 member was appointed; or

48 (2) is removed from the advisory board by the appointing

authority who appointed the legislator.

(f) The term of office of a voting member of the advisory board is four (4) years. However, these members serve at the pleasure of the governor and may be removed for any reason.

(g) If a vacancy exists on the advisory board, the appointing authority who appointed the former member whose position has become vacant shall appoint an individual to fill the vacancy for the balance of the unexpired term.

(h) Six (6) voting members of the advisory board constitute a quorum for the transaction of business at a meeting of the advisory board. The affirmative vote of at least six (6) voting members is necessary for the advisory board to take action.

SECTION 3. IC 4-4-9.5-4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 4. (a) There is annually appropriated to the Indiana rural development council nine hundred thousand dollars (\$900,000) from the state general fund for its use in carrying out the purposes of this chapter.

(b) The money appropriated by this section does not revert to the state general fund at the close of any fiscal year but remains available to the Indiana rural development council until the purpose for which it was appropriated is fulfilled."

Page 3, line 24, delete "Fifty million dollars (\$50,000,000)" and insert "One hundred million dollars (\$100,000,000)".

Page 10, between lines 5 and 6, begin a new paragraph and insert: "SECTION 8. IC 4-12-9-1, AS ADDED BY P.L.21-2000, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. ~~As used in~~ **The following definitions apply throughout** this chapter:

(1) "Fund" refers to the tobacco farmers ~~and rural community impact~~ fund established by section 2 of this chapter.

(2) "Master settlement agreement" has the meaning set forth in IC 24-3-3-6.

(3) "Phase II agreement" refers to the National Tobacco Grower Settlement Trust Agreement entered into by tobacco growing states and major tobacco companies and dated July 19, 1999.

(4) "Phase II payment program" refers to the payments to tobacco growers and quota owners established by the National Tobacco Grower Settlement Trust Agreement entered into by tobacco growing states and major tobacco companies and dated July 19, 1999.

(5) "Tobacco grower" has the meaning set forth in the National Tobacco Grower Settlement Trust Agreement.

(6) "Tobacco quota owner" has the meaning set forth in the National Tobacco Grower Settlement Trust Agreement.

SECTION 9. IC 4-12-9-2, AS AMENDED BY P.L.291-2001,

SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2. (a) The tobacco farmers ~~and rural community impact~~ fund is established. The fund shall be administered by the commissioner of agriculture. The fund consists of:

- (1) amounts, if any, that another statute requires to be distributed to the fund from the Indiana tobacco master settlement agreement fund;
- (2) appropriations to the fund from other sources;
- (3) grants, gifts, and donations intended for deposit in the fund; and
- (4) interest that accrues from money in the fund.

(b) The expenses of administering the fund shall be paid from money in the fund.

(c) Notwithstanding IC 5-13, the treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as money is invested by the public employees retirement fund under IC 5-10.3-5. The treasurer of state may contract with investment management professionals, investment advisors, and legal counsel to assist in the management of the fund and may pay the state expenses incurred under those contracts.

(d) Money in the fund at the end of the state fiscal year does not revert to the state general fund **or any other fund** and remains available for expenditure.

SECTION 10. IC 4-12-9-3, AS AMENDED BY P.L.291-2001, SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3. (a) ~~Subject to subsection (b);~~ Money in the fund shall be used for the following purposes: **distributions under section 5 of this chapter.**

(1) ~~Agricultural grant and loan programs to assist cooperative arrangements consisting of tobacco quota owners and tobacco growers working together to transition from tobacco production to other agricultural enterprises and to assist individual tobacco quota owners and tobacco growers who are in the process of transitioning to other agricultural enterprises.~~

(2) ~~Value-added cooperatives, incubators, and other enterprises or facilities established for the purpose of assisting tobacco quota owners and tobacco growers to capture additional revenues from non-tobacco agricultural commodities.~~

(3) ~~Agricultural mentoring programs, entrepreneurial leadership development, and tuition and scholarships to assist displaced tobacco growers in acquiring new training and employment skills.~~

(4) ~~Academic research to identify new transitional crop enterprises to replace tobacco production.~~

(5) ~~Market facility development for marketing current and new crop enterprises.~~

(6) ~~Administrative and planning services for local communities and economic development entities that suffer a negative impact~~

from the loss of tobacco production.

(7) Establishment and operation of a regional economic development consortium to address common problems faced by local communities that suffer a negative impact from the loss of tobacco production.

(b) Expenditures from the fund are subject to appropriation by the general assembly and approval by the the commissioner of agriculture. The commissioner of agriculture may not approve an expenditure from the fund unless that expenditure has been recommended by the advisory board established by section 4 of this chapter.

SECTION 11. IC 4-12-9-5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 5. (a) The Phase II payment program shall be supplemented from the fund during each state fiscal year beginning after June 30, 2002, and ending before July 1, 2011. The amount of the supplement to be provided for each state fiscal year shall be determined by the commissioner of agriculture and is equal to the sum of the following amounts:**

**(1) If the payments due and payable to tobacco growers and tobacco quota owners under the Phase II payment program during a state fiscal year are less than the amount established in the Phase II agreement, the amount necessary to make the total payments to tobacco growers and tobacco quota owners for the state fiscal year equal to the amount described in the Phase II agreement.**

**(2) The pro rata amount, to be distributed over the life of the Phase II payment program, that is required to make the total payments to tobacco growers and tobacco quota owners for the years 1999 through 2001 equal to the amounts described in the Phase II agreement.**

**(3) During each state fiscal year beginning after June 30, 2002, and ending before July 1, 2007, four million seven hundred twenty thousand dollars (\$4,720,000).**

**(b) The commissioner of agriculture shall certify the amounts determined under subsection (a) to the budget agency and the auditor of state. Notwithstanding IC 4-12-1-14.3, the amounts certified by the commissioner of agriculture shall be transferred to the fund from the Indiana tobacco master settlement agreement fund.**

**(c) The commissioner of agriculture shall distribute money in the fund to tobacco growers and tobacco quota owners using the same formula and process used for the Phase II payment program. The commissioner of agriculture may contract with consultants, financial institutions, and legal counsel to assist in the administration of this section and may pay the expenses of those contracts from money in the fund.**

**(d) Money transferred to the fund under this section is annually appropriated for the purposes set forth in this section.**

1 **(e) This section expires June 30, 2011."**

2 Page 10, delete lines 25 through 42.

3 Page 11, delete lines 1 through 10.

4 Page 11, delete lines 16 through 42, begin a new paragraph and  
5 insert:

6 "SECTION 15. IC 4-31-1-2 IS AMENDED TO READ AS  
7 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2. The ~~purpose~~  
8 **purposes** of this article ~~is~~ **are** to:

9 (1) permit pari-mutuel wagering on horse races in Indiana; ~~and to~~

10 **(2) permit the sale of pari-mutuel pull tabs at racetracks and**  
11 **satellite facilities in Indiana;**

12 **(3) ensure that the sale of pari-mutuel pull tabs and** pari-mutuel  
13 wagering on horse races in Indiana will be conducted with the  
14 highest of standards and the greatest level of integrity; ~~and~~

15 **(4) maximize and preserve state revenues generated from the**  
16 **various forms of permitted gaming and wagering by ensuring**  
17 **that the various forms of permitted gaming and wagering**  
18 **occur in different geographic regions of the state.**

19 SECTION 16. IC 4-31-2-11.5 IS ADDED TO THE INDIANA  
20 CODE AS A NEW SECTION TO READ AS FOLLOWS  
21 [EFFECTIVE JULY 1, 2002]: Sec. 11.5. "Pari-mutuel pull tab"  
22 means a game offered to the public in which a person who  
23 purchases a ticket or simulated ticket has the opportunity to share  
24 in a prize pool, multiple prize pools, or a shared prize pool  
25 consisting of the total amount wagered in the game minus  
26 deductions by the permit holder selling the pari-mutuel pull tab  
27 and other deductions either permitted or required by law.

28 SECTION 17. IC 4-31-4-1.3 IS AMENDED TO READ AS  
29 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1.3. (a) This section  
30 does not apply to a person who satisfies all of the following:

31 (1) The person was issued a satellite facility license before  
32 January 2, 1996.

33 (2) The person operated a satellite facility before January 2, 1996.

34 (3) The person is currently operating the satellite facility under  
35 the license.

36 (b) A person may not operate under a satellite facility license unless  
37 both of the following apply:

38 (1) The county fiscal body of the county in which the satellite  
39 facility will be operated has adopted an ordinance under section  
40 2.5 of this chapter.

41 (2) The person secures a license under IC 4-31-5.5.

42 **(c) Notwithstanding any other provision of this article,**  
43 **subsection (b)(1) does not apply to a permit holder who:**

44 **(1) was issued a permit before January 1, 2002; and**

45 **(2) files an application to operate a satellite facility in a county**  
46 **having a consolidated city.**

47 SECTION 18. IC 4-31-4-2 IS AMENDED TO READ AS

1 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2. (a) A county fiscal  
 2 body may adopt an ordinance permitting the filing of applications  
 3 under IC 4-31-5 to conduct pari-mutuel wagering on horse races at  
 4 racetracks in the county. However, before adopting the ordinance, the  
 5 county fiscal body must:

- 6 (1) conduct a public hearing on the proposed ordinance; and
- 7 (2) publish notice of the public hearing in the manner prescribed
- 8 by IC 5-3-1.

9 (b) The county fiscal body may:

- 10 (1) require in the ordinance adopted by the county fiscal body that
- 11 before applications under IC 4-31-5 to conduct pari-mutuel
- 12 wagering on horse races at racetracks in the county may be filed,
- 13 the voters of the county must approve the conducting of horse
- 14 racing meetings in the county under section 3 of this chapter; or
- 15 (2) amend an ordinance already adopted by the county fiscal body
- 16 to require that before applications under IC 4-31-5 to conduct
- 17 pari-mutuel wagering on horse races at racetracks in the county
- 18 may be filed, the voters of the county must approve the
- 19 conducting of horse racing meetings in the county under section
- 20 3 of this chapter.

21 An ordinance adopted under this section may not be amended to apply  
 22 to a person who has already been issued a permit under IC 4-31-5  
 23 before amendment of the ordinance.

24 **(c) An ordinance adopted under this section authorizing a**  
 25 **person to conduct pari-mutuel wagering on horse races at**  
 26 **racetracks in the county may not be adopted or amended with the**  
 27 **intent to restrict a permit holder's ability to sell pari-mutuel pull**  
 28 **tabs under IC 4-31-7.5. An ordinance adopted by the county fiscal**  
 29 **body permitting the sale of pari-mutuel pull tabs is not a**  
 30 **requirement for the lawful sale of pari-mutuel pull tabs under**  
 31 **IC 4-31-7.5.**

32 SECTION 19. IC 4-31-4-2.5 IS AMENDED TO READ AS  
 33 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2.5. (a) A county fiscal  
 34 body may adopt an ordinance permitting the filing of applications  
 35 under IC 4-31-5.5 for operation of a satellite facility in the county.  
 36 However, before adopting the ordinance, the county fiscal body must:

- 37 (1) conduct a public hearing on the proposed ordinance; and
- 38 (2) publish notice of the public hearing in the manner prescribed
- 39 by IC 5-3-1.

40 (b) The county fiscal body may:

- 41 (1) require in the ordinance adopted by the county fiscal body that
- 42 before applications under IC 4-31-5.5 to operate a satellite facility
- 43 in the county may be filed, the voters of the county must approve
- 44 the operation of a satellite facility in the county under section 3 of
- 45 this chapter; or
- 46 (2) amend an ordinance already adopted in the county to require
- 47 that before applications under IC 4-31-5.5 to operate a satellite



1 facility in the county may be filed, the voters of the county must  
 2 approve the operation of a satellite facility in the county under  
 3 section 3 of this chapter.

4 An ordinance adopted under this section may not be amended to apply  
 5 to a person who was issued a license under IC 4-31-5.5 before the  
 6 ordinance was amended.

7 **(c) Notwithstanding any other provision of this article, this**  
 8 **section does not apply to a permit holder who:**

9 **(1) was issued a permit before January 1, 2002; and**

10 **(2) files an application to operate a satellite facility in a county**  
 11 **having a consolidated city.**

12 SECTION 20. IC 4-31-4-3 IS AMENDED TO READ AS  
 13 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3. (a) This section does  
 14 not apply to either of the following:

15 (1) A permit holder who satisfies all of the following:

16 (A) The permit holder was issued a permit before January 2,  
 17 1996.

18 (B) The permit holder conducted live racing before January 2,  
 19 1996.

20 (C) The permit holder is currently operating under the permit.

21 (2) A person who satisfies all of the following:

22 (A) The person was issued a satellite facility license before  
 23 January 2, 1996.

24 (B) The person operated a satellite facility before January 2,  
 25 1996.

26 (C) The person is currently operating the satellite facility  
 27 under the license.

28 (b) This section applies if either of the following apply:

29 (1) Both of the following are satisfied:

30 (A) An ordinance is adopted under section 2 or 2.5 of this  
 31 chapter.

32 (B) The ordinance requires the voters of the county to approve  
 33 either of the following:

34 (i) The conducting of horse racing meetings in the county.

35 (ii) The operation of a satellite facility in the county.

36 (2) A local public question is required to be held under section  
 37 2.7 of this chapter following the filing of a petition with the  
 38 circuit court clerk:

39 (A) signed by at least the number of registered voters of the  
 40 county required under IC 3-8-6-3 to place a candidate on the  
 41 ballot; and

42 (B) requesting that the local public question set forth in  
 43 subsection (d) be placed on the ballot.

44 (c) Notwithstanding any other provision of this article, the  
 45 commission may not issue a recognized meeting permit under  
 46 IC 4-31-5 to allow the conducting of or the assisting of the conducting  
 47 of a horse racing meeting unless the voters of the county in which the

1 property is located have approved conducting recognized meetings in  
2 the county.

3 (d) For a local public question required to be held under subsection  
4 (c), the county election board shall place the following question on the  
5 ballot in the county during the next general election:

6 "Shall horse racing meetings at which pari-mutuel wagering  
7 occurs be allowed in \_\_\_\_\_ County?".

8 (e) Notwithstanding any other provision of this article, the  
9 commission may not issue a satellite facility license under IC 4-31-5.5  
10 to operate a satellite facility unless the voters of the county in which the  
11 satellite facility will be located approve the operation of the satellite  
12 facility in the county.

13 (f) For a local public question required to be held under subsection  
14 (e), the county election board shall place the following question on the  
15 ballot in the county during the next general election:

16 "Shall satellite facilities at which pari-mutuel wagering occurs be  
17 allowed in \_\_\_\_\_ County?".

18 (g) A public question under this section must be certified in  
19 accordance with IC 3-10-9-3 and shall be placed on the ballot in  
20 accordance with IC 3-10-9.

21 (h) The circuit court clerk of a county holding an election under this  
22 chapter shall certify the results determined under IC 3-12-4-9 to the  
23 commission and the department of state revenue.

24 (i) If a public question is placed on the ballot under subsection (d)  
25 or (f) in a county and the voters of the county do not vote in favor of the  
26 public question, a second public question under that subsection may  
27 not be held in the county for at least two (2) years. If the voters of the  
28 county vote to reject the public question a second time, a third or  
29 subsequent public question under that subsection may not be held in  
30 the county until the general election held during the tenth year  
31 following the year of the previous public question held under that  
32 subsection.

33 **(j) Notwithstanding any other provision of this article, this**  
34 **section does not apply to a permit holder who:**

35 **(1) was issued a permit before January 1, 2002; and**

36 **(2) files an application to operate a satellite facility in a county**  
37 **having a consolidated city.**

38 SECTION 21. IC 4-31-5-6 IS AMENDED TO READ AS  
39 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 6. (a) The commission  
40 may not issue a recognized meeting permit unless the applicant has  
41 filed with the commission:

42 (1) a financial statement prepared and certified by a certified  
43 public accountant in accordance with sound accounting practices,  
44 showing the net worth of the applicant;

45 (2) a statement from the department of state revenue and the  
46 treasurer of state that there are no pari-mutuel taxes or other  
47 obligations owed by the applicant to the state or any of its

1 departments or agencies;

2 (3) a statement from the county treasurer of the county in which  
3 the applicant proposes to conduct horse racing meetings that there  
4 are no real or personal property taxes owed by any of the  
5 principals seeking the permit; and

6 (4) a statement of obligations that are owed or being contested,  
7 including salaries, purses, entry fees, laboratory fees, and debts  
8 owed to vendors and suppliers.

9 (b) In addition to the requirements of subsection (a), the commission  
10 may not issue a recognized meeting permit for a recognized meeting to  
11 occur in a county unless IC 4-31-4 has been satisfied.

12 **(c) In addition to the requirements of subsections (a) and (b), the**  
13 **commission may not issue a recognized meeting permit for a**  
14 **recognized meeting to occur at a location within thirty (30) linear**  
15 **miles of a location for which a another permit holder has been**  
16 **issued a recognized meeting permit for a recognized meeting to**  
17 **occur.**

18 SECTION 22. IC 4-31-5-15 IS AMENDED TO READ AS  
19 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 15. **Except as**  
20 **provided in IC 4-31-7.5**, any fees or penalties collected by the  
21 commission under IC 4-31-3-9(1)(E) through IC 4-31-3-9(1)(G) shall  
22 be paid into the state general fund.

23 SECTION 23. IC 4-31-5.5-3 IS AMENDED TO READ AS  
24 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3. (a) As used in this  
25 section, "live racing day" means a day on which at least eight (8) live  
26 horse races are conducted.

27 (b) The commission's authority to issue satellite facility licenses is  
28 subject to the following conditions:

29 (1) The commission may issue four (4) satellite facility licenses  
30 to each permit holder that:

31 (A) conducts at least one hundred twenty (120) live racing  
32 days per year at the racetrack designated in the permit holder's  
33 permit; and

34 (B) meets the other requirements of this chapter and the rules  
35 adopted under this chapter.

36 If a permit holder that operates satellite facilities does not meet  
37 the required minimum number of live racing days, the permit  
38 holder may not operate the permit holder's satellite facilities  
39 during the following year. However, the requirement for one  
40 hundred twenty (120) live racing days does not apply if the  
41 commission determines that the permit holder is prevented from  
42 conducting live horse racing as a result of a natural disaster or  
43 other event over which the permit holder has no control. In  
44 addition, if the initial racing meeting conducted by a permit  
45 holder commences at such a time as to make it impractical to  
46 conduct one hundred twenty (120) live racing days during the  
47 permit holder's first year of operations, the commission may

1 authorize the permit holder to conduct simulcast wagering during  
 2 the first year of operations with fewer than one hundred twenty  
 3 (120) live racing days.

4 (2) Each proposed satellite facility must be covered by a separate  
 5 application. The timing for filing an initial application for a  
 6 satellite facility license shall be established by the rules of the  
 7 commission.

8 (3) A satellite facility must:

9 (A) have full dining service available;

10 (B) have multiple screens to enable each patron to view  
 11 simulcast races; and

12 (C) be designed to seat comfortably a minimum of four  
 13 hundred (400) persons.

14 (4) In determining whether a proposed satellite facility should be  
 15 approved, the commission shall consider the following:

16 (A) The purposes and provisions of this chapter.

17 (B) The public interest.

18 (C) The impact of the proposed satellite facility on live racing.

19 (D) The impact of the proposed satellite facility on the local  
 20 community.

21 (E) The potential for job creation.

22 (F) The quality of the physical facilities and the services to be  
 23 provided at the proposed satellite facility.

24 (G) Any other factors that the commission considers important  
 25 or relevant to its decision.

26 (5) The commission may not issue a license for a satellite facility  
 27 to be located in a county unless IC 4-31-4 has been satisfied.

28 **(6) Not more than one (1) license may be issued to each permit**  
 29 **holder to operate a satellite facility located in a county having**  
 30 **a consolidated city. The maximum number of licenses that the**  
 31 **commission may issue for satellite facilities to be located in a**  
 32 **county having a consolidated city is two (2) licenses.**

33 SECTION 24. IC 4-31-5.5-6 IS AMENDED TO READ AS  
 34 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 6. A permit holder or  
 35 group of permit holders that is authorized to operate satellite facilities  
 36 may accept and transmit pari-mutuel wagers on horse racing at those  
 37 facilities and may engage in all activities necessary to establish and  
 38 operate appropriate satellite wagering facilities, including the  
 39 following:

40 (1) Live simulcasts of horse racing conducted at the permit  
 41 holder's racetrack or at other racetracks. However, a satellite  
 42 facility operated by a permit holder may not simulcast races  
 43 conducted in other states on any day that is not a live racing day  
 44 (as defined in section 3 of this chapter) unless the satellite facility  
 45 also simulcasts all available races conducted in Indiana on that  
 46 day.

47 (2) Construction or leasing of satellite wagering facilities.

(3) Sale of food and beverages.

(4) Advertising and promotion.

(5) **Sale of pari-mutuel pull tabs authorized under IC 4-31-7.5.**

(6) All other related activities.

SECTION 25. IC 4-31-5.5-7 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2002]: **Sec. 7. A zoning ordinance that permits real property to be used as a racetrack for the purpose of conducting live pari-mutuel horse racing must be construed to authorize the permit holder to operate a satellite facility on the real property. An ordinance described in this section may not be amended to prohibit the permit holder from operating a satellite facility on the real property.**

SECTION 26. IC 4-31-7-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. (a) A person holding a permit to conduct a horse racing meeting or a license to operate a satellite facility may provide a place in the racing meeting grounds or enclosure or the satellite facility at which the person may conduct and supervise the pari-mutuel system of wagering by patrons of legal age on the horse races conducted or simulcast by the person. The person may not permit or use:

(1) another place other than that provided and designated by the person; or

(2) another method or system of betting or wagering.

**However, a person holding a permit to conduct a horse racing meeting may permit wagering on pari-mutuel pull tabs at the person's racetrack or satellite facility as permitted by IC 4-31-7.5.**

(b) Except as provided in section 7 of this chapter and IC 4-31-5.5, the pari-mutuel system of wagering may not be conducted on any races except the races at the racetrack, grounds, or enclosure for which the person holds a permit.

SECTION 27. IC 4-31-7-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2. (a) A person less than eighteen (18) years of age may not wager at a horse racing meeting.

(b) A person less than ~~seventeen (17)~~ **eighteen (18)** years of age may not enter the grandstand, clubhouse, or similar areas of a racetrack at which wagering is permitted unless accompanied by a person who is at least twenty-one (21) years of age.

(c) A person less than eighteen (18) years of age may not enter a satellite facility.

**(d) A person less than twenty-one (21) years of age may not enter the part of a satellite facility or racetrack in which pari-mutuel pull tabs are sold and redeemed.**

SECTION 28. IC 4-31-7.5 IS ADDED TO THE INDIANA CODE AS A **NEW CHAPTER TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2002]:

**Chapter 7.5. Pari-Mutuel Pull Tabs**

**Sec. 1. (a)** This chapter applies only to the sale of pari-mutuel pull tabs by a person that holds a permit to conduct a pari-mutuel horse racing meeting issued under IC 4-31-5.

**(b)** This chapter does not apply to the sale of pull tabs by a qualified organization (as defined in IC 4-32-6-20) under IC 4-32.

**Sec. 2.** A pari-mutuel pull tab game must be conducted in the following manner:

**(1)** Each set of tickets must have a predetermined:

**(A)** total purchase price; and

**(B)** amount of prizes.

**(2)** Randomly ordered pari-mutuel pull tab tickets may be distributed from an approved location or from a distribution device to:

**(A)** the permit holder at the permit holder's racetrack or satellite facility, or both; or

**(B)** a terminal or device of the permit holder at the permit holder's racetrack or satellite facility, or both.

**(3)** A pari-mutuel pull tab ticket must be presented to a player in the form of a paper ticket or display on a terminal or device.

**(4)** Game results must be initially covered or otherwise concealed from view on the pari-mutuel pull tab ticket, terminal, or device so that the number, letter, symbol, or set of numbers, letters, or symbols cannot be seen until the concealing medium is removed.

**(5)** A winner is identified after the display of the game results when a player removes the concealing medium of the pari-mutuel pull tab ticket or display on a terminal or device.

**(6)** A winner shall receive the prize or prizes posted or displayed for the game from the permit holder.

**Sec. 3.** A person less than twenty-one (21) years of age may not purchase a pari-mutuel pull tab ticket.

**Sec. 4.** The sale price of a pari-mutuel pull tab ticket may not exceed ten dollars (\$10).

**Sec. 5. (a)** The sale, purchase, and redemption of pari-mutuel pull tab tickets are limited to the following locations:

**(1)** A live pari-mutuel horse racing facility operated by a permit holder under a recognized meeting permit in a county having a population of more than forty-three thousand (43,000) but less than forty-five thousand (45,000).

**(2)** A satellite facility that is located in a county containing a consolidated city and operated by a permit holder described in subdivision (1).

**(3)** A live pari-mutuel horse racing facility operated by a permit holder under a recognized meeting permit in a county having a population of more than one hundred thirty thousand (130,000) but less than one hundred forty-five

1           thousand (145,000).

2           (4) A satellite facility that is located in a county containing a  
3           consolidated city and operated by a permit holder described  
4           in subdivision (3).

5           (b) A permit holder may not install more than:

6           (1) seven hundred (700) pull tab terminals or devices on the  
7           premises of the permit holder's live pari-mutuel horse racing  
8           facility; and

9           (2) seven hundred (700) pull tab terminals or devices on the  
10          premises of the permit holder's satellite facility located in a  
11          county containing a consolidated city.

12          (c) Notwithstanding IC 4-31-5.5-3, the Indiana horse racing  
13          commission may issue the satellite facility license described in  
14          subsection (a)(2) before a permit holder described in subsection  
15          (a)(1) commences an initial racing meeting.

16          (d) If:

17          (1) the Indiana horse racing commission issues the satellite  
18          facility license described in subsection (a)(2) before the permit  
19          holder described in subsection (a)(1) commences the initial  
20          racing meeting; and

21          (2) the initial racing meeting is commenced more than one (1)  
22          year after the date on which the satellite facility begins  
23          operation under the satellite facility license;

24          the satellite facility's business operations shall be suspended until  
25          the commencement of the initial racing meeting.

26          Sec. 6. The number and amount of the prizes in a pari-mutuel  
27          pull tab game must be finite but may not be limited.

28          Sec. 7. A list of prizes for winning pari-mutuel pull tab tickets  
29          must be posted or displayed at a location where the tickets are sold.

30          Sec. 8. A permit holder may close a pari-mutuel pull tab game  
31          at any time.

32          Sec. 9. A terminal or device selling pari-mutuel pull tab tickets  
33          may be operated by a player without the assistance of the permit  
34          holder for the sale and redemption of pari-mutuel pull tab tickets.

35          Sec. 10. A terminal or device selling pari-mutuel pull tab tickets  
36          may not dispense coins or currency as prizes for winning tickets.  
37          Prizes awarded by a terminal or device must be in the form of  
38          credits for additional play or certificates redeemable for cash or  
39          prizes.

40          Sec. 11. (a) The Indiana gaming commission shall adopt rules  
41          under IC 4-22-2, including emergency rules under IC 4-22-2-37.1,  
42          to implement this chapter, including rules that prescribe:

43          (1) an approval process for pari-mutuel pull tab games that  
44          requires periodic testing of the games and equipment by an  
45          independent entity under the oversight of the commission to  
46          ensure the integrity of the games to the public;

47          (2) a system of internal audit controls;

48          (3) a method of payment for pari-mutuel pull tab prizes that

allows a player to transfer credits from one (1) terminal or device to another;

(4) a method of payment for pari-mutuel pull tab prizes that allows a player to redeem a winning ticket for additional play tickets or credit to permit purchase of additional play tickets;

(5) requirements for a license to sell pari-mutuel pull tabs that a permit holder must obtain from the commission before selling pari-mutuel pull tabs; and

(6) any other procedure or requirement necessary for the efficient and economical operation of the pari-mutuel pull tab games and the convenience of the public.

(b) The Indiana gaming commission may enter into a contract with the Indiana horse racing commission for the provision of services necessary to administer pari-mutuel pull tab games.

Sec. 12. (a) The Indiana gaming commission may issue a license to a permit holder to sell pari-mutuel pull tabs under this chapter at the locations described in section 5 of this chapter.

(b) Before issuing a license to a permit holder under this section, the Indiana gaming commission shall subject the permit holder to a background investigation similar to a background investigation required of an applicant for a riverboat owner's license under IC 4-33-6.

(c) An initial pari-mutuel pull tab license expires five (5) years after the effective date of the license.

(d) Unless the pari-mutuel pull tab license is terminated, expires, or is revoked, the pari-mutuel pull tab license may be renewed annually upon:

(1) the payment of an annual renewal fee determined by the Indiana gaming commission; and

(2) a determination by the Indiana gaming commission that the licensee satisfies the conditions of this chapter.

(e) A permit holder holding a pari-mutuel pull tab license shall undergo a complete investigation every three (3) years to determine that the permit holder remains in compliance with this article.

(f) Notwithstanding subsection (e), the Indiana gaming commission may investigate a permit holder at any time the commission determines it is necessary to ensure that the licensee remains in compliance with this article.

(g) The permit holder shall bear the cost of an investigation or a reinvestigation of the permit holder and any investigation resulting from a potential transfer of ownership.

Sec. 13. The Indiana gaming commission may assess an administrative fee to a permit holder offering pari-mutuel pull tab games in an amount that allows the commission to recover all of the commission's costs of administering the pari-mutuel pull tab games.

Sec. 14. The Indiana gaming commission may not permit the



1 sale of pari-mutuel pull tab tickets in a county where a riverboat  
2 is docked.

3 Sec. 15. All shipments of gambling devices, including  
4 pari-mutuel pull tab machines, to permit holders in Indiana, the  
5 registering, recording, and labeling of which have been completed  
6 by the manufacturer or dealer in accordance with 15 U.S.C. 1171  
7 through 15 U.S.C. 1178, are legal shipments of gambling devices  
8 into Indiana.

9 Sec. 16. Under 15 U.S.C. 1172, approved January 2, 1951, the  
10 state of Indiana, acting by and through elected and qualified  
11 members of the legislature, declares and proclaims that the state  
12 is exempt from 15 U.S.C. 1172.

13 Sec. 17. The Indiana gaming commission shall regulate and  
14 administer the sale, purchase, and redemption of pari-mutuel pull  
15 tab tickets under this chapter.

16 SECTION 29. IC 4-31-7.6 IS ADDED TO THE INDIANA CODE  
17 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
18 JULY 1, 2002]:

19 **Chapter 7.6. Taxation of Pari-Mutuel Pull Tabs and Fees**

20 Sec. 1. (a) This chapter applies only to the lawful sale of  
21 pari-mutuel pull tabs by a person that:

22 (1) holds a permit to conduct a pari-mutuel horse racing  
23 meeting issued under IC 4-31-5; and

24 (2) is authorized to sell pari-mutuel pull tabs under  
25 IC 4-31-7.5.

26 (b) This chapter does not apply to the sale of pull tabs by a  
27 qualified organization (as defined in IC 4-32-6-20) under IC 4-32.

28 (c) This chapter may not itself be construed to authorize the sale  
29 of pari-mutuel pull tabs.

30 Sec. 2. As used in this chapter, "adjusted gross receipts" means:

31 (1) the total of all cash and property (including checks  
32 received by a permit holder, whether collected or not)  
33 received by a permit holder from pari-mutuel pull tab sales;  
34 minus

35 (2) the total of:

36 (A) all cash paid out to patrons as winnings for  
37 pari-mutuel pull tabs; and

38 (B) uncollectible pari-mutuel pull tab receivables, not to  
39 exceed the lesser of:

40 (i) a reasonable provision for uncollectible patron checks  
41 received from pari-mutuel pull tab sales; or

42 (ii) two percent (2%) of the total of all sums, including  
43 checks, whether collected or not, less the amount paid  
44 out to patrons as winnings for pari-mutuel pull tabs.

45 For purposes of this section, a counter or personal check that is  
46 invalid or unenforceable under this article is considered cash  
47 received by the permit holder from pari-mutuel pull tab sales.

48 Sec. 2.5. As used in this chapter, "county resident student"

means a student enrolled in a school corporation who resides in a county having a population of more than one hundred thirty thousand (130,000) but less than one hundred forty-five thousand (145,000).

Sec. 3. (a) A tax is imposed on the adjusted gross receipts received from the sale of pari-mutuel pull tabs authorized under this article at the rate of:

(1) thirty-two and five-tenths percent (32.5%) of the first one hundred fifty million dollars (\$150,000,000) of the adjusted gross receipts received during the period beginning July 1 of each year and ending June 30 of the following year; and

(2) thirty-seven and five-tenths percent (37.5%) of the adjusted gross receipts exceeding one hundred fifty million dollars (\$150,000,000) received during the period beginning July 1 of each year and ending June 30 of the following year.

For purposes of calculating the amount of taxes imposed under this section each day, a permit holder shall combine the permit holder's adjusted gross receipts received from the sale of pull tabs at the permit holder's racetrack and the permit holder's satellite facility located in a county containing a consolidated city.

(b) The permit holder shall remit the tax imposed by this section to the department before the close of the business day following the day the pari-mutuel pull tabs are sold.

(c) The department may require payment under this section to be made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).

(d) If the department requires taxes to be remitted under this chapter through electronic funds transfer, the department may allow the permit holder to file a monthly report to reconcile the amounts remitted to the department.

(e) The department may allow taxes remitted under this section to be reported on the same form used for taxes paid under IC 4-31-9.

Sec. 4. (a) The state pull tab wagering fund is established. Money in the fund does not revert to the state general fund at the end of a state fiscal year.

(b) The department shall deposit tax revenue collected under section 3 of this chapter in the state pull tab wagering fund.

(c) Each month, the treasurer of state shall distribute the tax revenue deposited in the state pull tab wagering fund under this section as follows:

(1) Thirty percent (30%) of the tax revenue remitted by each permit holder shall be paid as follows:

(A) In the case of a racetrack that is located in a county having a population of more than one hundred thirty thousand (130,000) but less than one hundred forty-five thousand (145,000), the amount determined under subsection (d) shall be paid as follows:

(i) Fifty-eight percent (58%) to a city having a

population of more than fifty-nine thousand seven hundred (59,700) but less than sixty-five thousand (65,000).

(ii) Seventeen percent (17%) to the capital projects fund of the county for distribution by the county legislative body.

(iii) Seventeen percent (17%) to the school corporations located in the county. The tax revenue distributed under this item must be divided among the school corporations on a pro rata basis according to the ratio the number of county resident students enrolled in each school corporation bears to the total number of county resident students enrolled in the school corporations located in the county. Revenue received by a school corporation under this item is considered miscellaneous revenue.

(iv) Eight percent (8%) to the incorporated cities and towns located in the county other than a city described in item (i). The tax revenue distributed under this item must be divided among the cities and towns on a pro rata basis according to the ratio the population of each city or town bears to the total population of the county minus the population of a city described in item (i).

(B) In the case of a racetrack that is located in a county having a population of more than forty-three thousand (43,000) but less than forty-five thousand (45,000), the amount determined under subsection (e) shall be paid to the county. However, if a city having a population of more than seventeen thousand nine hundred (17,900) but less than eighteen thousand one hundred (18,100) that is located in the county annexes the territory in which the racetrack is located, the amount determined under subsection (e) shall be paid in equal amounts to:

(i) the county; and

(ii) the annexing city.

(C) In the case of the satellite facilities located in a county containing a consolidated city, the amount determined under subsection (f) shall be paid as follows:

(i) Forty-one and seven-tenths percent (41.7%) to the consolidated city.

(ii) Twenty and eight-tenths percent (20.8%) to the housing trust fund established under IC 36-7-15.1-35.5(e).

(iii) Twelve and five-tenths percent (12.5%) to the county.

(iv) Twenty-five percent (25%) to the school corporations located in the county containing a consolidated city. The tax revenue distributed under this item must be divided among the school corporations on

a pro rata basis according to each school corporation's ADM (as defined in IC 21-3-1.6-1.1).

(2) After the distributions required under subdivision (1) are made, the next twenty-six million dollars (\$26,000,000) of tax revenue shall be paid to the commission to be distributed as follows:

(A) Three percent (3%) is to be distributed in equal amounts for the support and operation of the following horsemen's associations (as defined in IC 4-31-8-6):

(i) The horsemen's associations representing the standardbred owners and trainers.

(ii) The horsemen's associations representing the thoroughbred owners and trainers.

(iii) The horsemen's associations representing the quarterhorse owners and trainers.

(B) The remainder is to be distributed, in amounts determined by the commission, for the promotion and operation of horse racing, as follows:

(i) To a breed development fund established by the commission under IC 4-31-11-10.

(ii) To each racetrack that has been approved by the commission under this article. The commission may make a grant under this item only for purses, promotions, and routine operations.

(iii) To county fairs, 4-H fairs, a fair located in a town having a population of more than one thousand one hundred (1,100) located in a county having a population of more than thirty-six thousand seventy-five (36,075) but less than thirty-seven thousand (37,000), and a trotting association located in a county having a population of more than twenty-one thousand eight hundred (21,800) but less than twenty-two thousand one hundred (22,100). Distributions made under this item shall be used for the maintenance and operation of horse racing facilities.

(3) After the distributions required under subdivisions (1) and (2) are made, the remainder of tax revenue remitted by each permit holder shall be paid to the state general fund.

(d) This subsection applies to tax revenues received from a racetrack located in a county having a population of more than one hundred thirty thousand (130,000) but less than one hundred forty-five thousand (145,000). The amount of tax revenues to be distributed under subsection (c)(1)(A) is determined under STEP FIVE of the following formula:

STEP ONE: Determine the total amount of tax revenue remitted by the permit holder in the preceding month.

STEP TWO: Determine the amount of tax revenue remitted by the permit holder in the preceding month attributable to

adjusted gross receipts received from the racetrack.

**STEP THREE:** Determine the ratio of the STEP TWO amount to the STEP ONE amount.

**STEP FOUR:** Multiply the STEP ONE amount by thirty percent (30%).

**STEP FIVE:** Multiply the STEP FOUR result by the ratio determined under STEP THREE.

(e) This subsection applies to tax revenues received from a racetrack located in a county having a population of more than forty-three thousand (43,000) but less than forty-five thousand (45,000). The amount of tax revenues to be distributed under subsection (c)(1)(B) is determined under STEP FIVE of the following formula:

**STEP ONE:** Determine the total amount of tax revenue remitted by the permit holder in the preceding month.

**STEP TWO:** Determine the amount of tax revenue remitted by the permit holder in the preceding month attributable to adjusted gross receipts received from the racetrack.

**STEP THREE:** Determine the ratio of the STEP TWO amount to the STEP ONE amount.

**STEP FOUR:** Multiply the STEP ONE amount by thirty percent (30%).

**STEP FIVE:** Multiply the STEP FOUR result by the ratio determined under STEP THREE.

(f) This subsection applies to tax revenues received from both satellite facilities located in a county containing a consolidated city. The amount of the tax revenues distributed under subsection (c)(1)(C) is determined under STEP SIX of the following formula:

**STEP ONE:** Determine the sum of the subsection (d) STEP ONE amount and the subsection (e) STEP ONE amount.

**STEP TWO:** Determine the sum of the subsection (d) STEP TWO amount and the subsection (e) STEP TWO amount.

**STEP THREE:** Determine the remainder of the sum determined under STEP ONE minus the sum determined under STEP TWO.

**STEP FOUR:** Determine the ratio of the amount determined under STEP THREE to the sum determined under STEP ONE.

**STEP FIVE:** Multiply the sum determined under STEP ONE by thirty percent (30%).

**STEP SIX:** Multiply the STEP FIVE result by the ratio determined under STEP FOUR.

**Sec. 5. (a)** As used in this section, "net receipts" means a permit holder's adjusted gross receipts, minus any taxes paid under section 3 of this chapter.

**(b)** Beginning January 1 following the second anniversary of the date that the sale of pari-mutuel pull tab tickets begins at a location described in this chapter and every year thereafter, the permit

holder shall pay the percentage of the permit holder's net receipts set forth in subsection (c) to the commission for purse money and breed development.

(c) Beginning January 1 of the following years of operation, the purse money and breed development fee is equal to the following percentages of the permit holder's net receipts:

Year 3	2%
Year 4	2%
Year 5	5%
Year 6	7%
Year 7	8%
Year 8	9%
Year 9	10%
Year 10 and each year thereafter	12%

(d) The commission shall allocate money received under this section to purses and breed development.

**Sec. 6. (a) The commission shall annually impose a supplemental fee of two hundred fifty thousand dollars (\$250,000) upon each permit holder operating a racetrack under this article.**

**(b) Fifty percent (50%) of the annual fees collected under this section must be used for training facilities and capital improvements, including stall improvements.**

**(c) Fifty percent (50%) of the annual fees collected under this section must be used to promote live racing at county and 4-H fairgrounds.**

**Sec. 7. This chapter does not prohibit a city or county in which pari-mutuel pull tabs are offered for sale under IC 4-31-7.5 from entering into agreements with other units of local government in Indiana or in other states to share the city's or county's part of the tax revenue received under this chapter.**

SECTION 30. IC 4-31-9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. A person that holds a permit to conduct a horse racing meeting or a license to operate a satellite facility shall withhold:

- (1) eighteen percent (18%) of the total of money wagered on each day at the racetrack or satellite facility (including money wagered on exotic wagering pools **but excluding money wagered on pari-mutuel pull tabs under IC 4-31-7.5**); plus
- (2) an additional three and one-half percent (3.5%) of the total of all money wagered on exotic wagering pools on each day at the racetrack or satellite facility.

SECTION 31. IC 4-31-11-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 11. Each development fund consists of:

- (1) breakage and outs paid into the fund under IC 4-31-9-10;
- (2) appropriations by the general assembly;

- 1 (3) gifts;
- 2 (4) stakes payments;
- 3 (5) entry fees; and
- 4 (6) money paid into the fund under ~~IC 4-33-12-6~~.
- 5 **IC 4-33-13-5(a)(2)(A).**

6 SECTION 32. IC 4-32-15-1 IS AMENDED TO READ AS  
 7 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. An excise tax is  
 8 imposed on the distribution of pull tabs (**excluding pari-mutuel pull**  
 9 **tabs under IC 4-31-7.5**), punchboards, and tip boards in the amount  
 10 of ten percent (10%) of the wholesale price for the pull tabs,  
 11 punchboards, and tip boards.

12 SECTION 33. IC 4-33-1-1 IS AMENDED TO READ AS  
 13 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. This article  
 14 applies only to the following:

- 15 (1) Counties contiguous to Lake Michigan.
- 16 (2) Counties contiguous to the Ohio River.
- 17 (3) ~~Counties contiguous to Patoka Lake.~~ **A historic district that:**  
 18 **(A) is established under IC 36-7-11;**  
 19 **(B) is located in a county having a population of more than**  
 20 **nineteen thousand three hundred (19,300) but less than**  
 21 **twenty thousand (20,000); and**  
 22 **(C) consists solely of the real property owned by the**  
 23 **historic resort hotels located in:**  
 24 **(i) a town having a population of more than one**  
 25 **thousand five hundred (1,500) but less than two**  
 26 **thousand two hundred (2,200); and**  
 27 **(ii) a town having a population of less than one thousand**  
 28 **five hundred (1,500).**

29 SECTION 34. IC 4-33-2-5.6 IS ADDED TO THE INDIANA CODE  
 30 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE  
 31 UPON PASSAGE]: Sec. **5.6. "Cruise" means to depart from the**  
 32 **dock while gambling is being conducted.**

33 SECTION 35. IC 4-33-2-7 IS AMENDED TO READ AS  
 34 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. "Dock" means  
 35 the location where ~~an excursion~~ a riverboat moors for the purpose of  
 36 embarking passengers for and disembarking passengers from a  
 37 ~~gambling excursion.~~ **the riverboat.**

38 SECTION 36. IC 4-33-2-11.5 IS ADDED TO THE INDIANA  
 39 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
 40 [EFFECTIVE UPON PASSAGE]: Sec. **11.5. "Historic resort hotel"**  
 41 **means a structure originally built as a hotel that contained at least**  
 42 **three hundred (300) sleeping rooms on or before January 1, 1930.**

43 SECTION 37. IC 4-33-2-13.5 IS ADDED TO THE INDIANA  
 44 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
 45 [EFFECTIVE UPON PASSAGE]: Sec. **13.5. "Licensed operating**  
 46 **agent" means a person licensed under IC 4-33-6.5 to operate a**  
 47 **riverboat in a historic district described in IC 4-33-1-1(3) on behalf**

1 of the district's historic preservation commission.

2 SECTION 38. IC 4-33-2-14.5 IS ADDED TO THE INDIANA  
3 CODE AS A NEW SECTION TO READ AS FOLLOWS  
4 [EFFECTIVE UPON PASSAGE]: **Sec. 14.5. "Operating agent's**  
5 **license" means a license issued under IC 4-33-6.5 that allows a**  
6 **person to operate a riverboat in a historic district described in**  
7 **IC 4-33-1-1(3) on behalf of the district's historic preservation**  
8 **commission.**

9 SECTION 39. IC 4-33-2-15.5 IS ADDED TO THE INDIANA  
10 CODE AS A NEW SECTION TO READ AS FOLLOWS  
11 [EFFECTIVE UPON PASSAGE]: **Sec. 15.5. "Patron" means an**  
12 **individual who:**

13 (1) boards a riverboat; and

14 (2) is not entitled to receive a tax free pass.

15 SECTION 40. IC 4-33-2-15.7 IS ADDED TO THE INDIANA  
16 CODE AS A NEW SECTION TO READ AS FOLLOWS  
17 [EFFECTIVE UPON PASSAGE]: **Sec. 15.7. "Permanently moored**  
18 **vessel" means a vessel that is either:**

19 (1) a vessel that has previously been issued a United States  
20 Coast Guard certificate of inspection and has been removed  
21 from navigation; or

22 (2) a vessel located in a historic district described in  
23 IC 4-33-1-1(3) on which lawful gambling is authorized and  
24 licensed under this article.

25 **The term does not include a barge.**

26 SECTION 41. IC 4-33-2-16 IS AMENDED TO READ AS  
27 FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 16. "Person" means**  
28 **an individual, a sole proprietorship, a partnership, an association, a**  
29 **fiduciary, a corporation, a limited liability company, a historic district,**  
30 **or any other business entity.**

31 SECTION 42. IC 4-33-2-16.3 IS ADDED TO THE INDIANA  
32 CODE AS A NEW SECTION TO READ AS FOLLOWS [JULY 1,  
33 2002]: **Sec. 16.3. "Pari-mutuel pull tab" has the meaning set forth**  
34 **in IC 4-31-2-11.5.**

35 SECTION 43. IC 4-33-2-17 IS AMENDED TO READ AS  
36 FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 17. "Riverboat"**  
37 **means either of the following on which lawful gambling is**  
38 **authorized under this article:**

39 (1) A self-propelled ~~excursion~~ boat located in a county described  
40 in ~~IC 4-33-1-1~~ on which lawful gambling is authorized and  
41 licensed under this article: **IC 4-33-1-1(1) or IC 4-33-1-1(2) that**  
42 **complies with IC 4-33-6-6(a).**

43 (2) A permanently moored vessel.

44 SECTION 44. IC 4-33-3-7 IS AMENDED TO READ AS  
45 FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 7. Each member of the**  
46 **commission is entitled to receive the following:**

47 (1) Salary per diem as ~~provided in IC 4-10-11-2.1(b);~~ of one



1 **hundred dollars (\$100)** for each day the member does any of the  
 2 following:

3 (A) Attends a meeting of the commission.

4 (B) Conducts a hearing under this article.

5 (2) Reimbursement for traveling expenses and other expenses  
 6 actually incurred in connection with the member's duties, as  
 7 provided in the state travel policies and procedures established by  
 8 the department of administration and approved by the budget  
 9 agency.

10 SECTION 45. IC 4-33-4-2 IS AMENDED TO READ AS  
 11 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The commission  
 12 shall adopt rules under IC 4-22-2 for the following purposes:

13 (1) Administering this article.

14 (2) Establishing the conditions under which riverboat gambling  
 15 in Indiana may be conducted.

16 (3) Providing for the prevention of practices detrimental to the  
 17 public interest and providing for the best interests of riverboat  
 18 gambling.

19 ~~(4) With respect to riverboats that operate on Patoka Lake,~~  
 20 ~~ensuring:~~

21 ~~(A) the prevention of practices detrimental to the natural~~  
 22 ~~environment and scenic beauty of Patoka Lake; and~~

23 ~~(B) compliance by licensees and riverboat patrons with the~~  
 24 ~~requirements of IC 14-26-2-5 and IC 14-28-1.~~

25 ~~(5) (4)~~ Establishing rules concerning inspection of riverboats and  
 26 the review of the permits or licenses necessary to operate a  
 27 riverboat.

28 ~~(6) (5)~~ Imposing penalties for noncriminal violations of this  
 29 article.

30 **(6) Establishing ethical standards regulating the conduct of**  
 31 **members of a historic preservation commission established**  
 32 **under IC 36-7-11-4.5 with regard to the selection and**  
 33 **licensure of an operating agent to operate a riverboat in a**  
 34 **historic district described in IC 4-33-1-1(3).**

35 **(7) Establishing the conditions under which the sale, purchase,**  
 36 **and redemption of pari-mutuel pull tabs may be conducted**  
 37 **under IC 4-31-7.5.**

38 SECTION 46. IC 4-33-4-3, AS AMENDED BY P.L.14-2000,  
 39 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 40 UPON PASSAGE]: Sec. 3. (a) The commission shall do the following:

41 (1) Adopt rules that the commission determines necessary to  
 42 protect or enhance the following:

43 (A) The credibility and integrity of gambling operations  
 44 authorized by this article.

45 (B) The regulatory process provided in this article.

46 ~~(C) The natural environment and scenic beauty of Patoka~~  
 47 ~~Lake.~~

(2) Conduct all hearings concerning civil violations of this article.

(3) Provide for the establishment and collection of license fees and taxes imposed under this article.

(4) Deposit the license fees and taxes in the state gaming fund established by IC 4-33-13.

(5) Levy and collect penalties for noncriminal violations of this article.

(6) Deposit the penalties in the state gaming fund established by IC 4-33-13.

(7) Be present through the commission's inspectors and agents during the time gambling operations are conducted on a riverboat to do the following:

(A) Certify the revenue received by a riverboat.

(B) Receive complaints from the public.

(C) Conduct other investigations into the conduct of the gambling games and the maintenance of the equipment that the commission considers necessary and proper.

~~(D) With respect to riverboats that operate on Patoka Lake, ensure compliance with the following:~~

~~(i) IC 14-26-2-6.~~

~~(ii) IC 14-26-2-7.~~

~~(iii) IC 14-28-1.~~

(8) Adopt emergency rules under IC 4-22-2-37.1 if the commission determines that:

(A) the need for a rule is so immediate and substantial that rulemaking procedures under IC 4-22-2-13 through IC 4-22-2-36 are inadequate to address the need; and

(B) an emergency rule is likely to address the need.

(b) The commission shall begin rulemaking procedures under IC 4-22-2-13 through IC 4-22-2-36 to adopt an emergency rule adopted under subsection (a)(8) not later than thirty (30) days after the adoption of the emergency rule under subsection (a)(8).

SECTION 47. IC 4-33-4-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. **If a riverboat cruises**, the commission shall authorize the route of ~~a the~~ riverboat and the stops, if any, that the riverboat may make **while on a cruise**.

SECTION 48. IC 4-33-4-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) **This section does not apply to a riverboat located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).**

(b) After consulting with the United States Army Corps of Engineers, the commission may do the following:

(1) Determine the waterways that are navigable waterways for purposes of this article.

(2) Determine the navigable waterways that are suitable for the operation of riverboats under this article.

(b) (c) In determining the navigable waterways on which riverboats may operate, the commission shall do the following:

(1) Obtain any required approvals from the United States Army Corps of Engineers for the operation of riverboats on those waterways.

(2) Consider the economic benefit that riverboat gambling provides to Indiana.

(3) Seek to ensure that all regions of Indiana share in the economic benefits of riverboat gambling.

~~(4) Considering IC 14-26-2-6, IC 14-26-2-7, and IC 14-28-1, conduct a feasibility study concerning:~~

~~(A) the environmental impact of the navigation and docking of riverboats upon Patoka Lake; and~~

~~(B) the impact of the navigation and docking of riverboats upon the scenic beauty of Patoka Lake.~~

SECTION 49. IC 4-33-4-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. The commission shall annually do the following:

(1) Review the patterns of wagering and wins and losses by persons on riverboat gambling operations under this article.

(2) Make recommendations to the governor and the general assembly concerning whether limits on wagering losses should be imposed.

~~(3) Examine the impact on the natural environment and scenic beauty of Patoka Lake made by the navigation and docking of riverboats.~~

SECTION 50. IC 4-33-4-21.2, AS AMENDED BY P.L.215-2001, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 21.2. (a) The Indiana gaming commission shall require a licensed owner to conspicuously display the number of the toll free telephone line described in ~~IC 4-33-12-6~~ **IC 4-33-13-5(d)** in the following locations:

(1) On each admission ticket to a riverboat ~~gambling excursion~~ **if tickets are issued.**

(2) On a poster or placard that is on display in a public area of each riverboat where gambling games are conducted.

(b) The toll free telephone line described in ~~IC 4-33-12-6~~ **IC 4-33-13-5(d)** must be:

(1) maintained by the division of mental health and addiction under IC 12-23-1-6; and

(2) funded by the addiction services fund established by IC 12-23-2-2.

(c) The commission may adopt rules under IC 4-22-2 necessary to carry out this section.

SECTION 51. IC 4-33-6-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) The commission may issue to a person a license to own ~~one (1)~~ a riverboat

subject to the numerical and geographical limitation of owner's licenses under this section, **section 3.5 of this chapter**, and IC 4-33-4-17. However, not more than eleven (11) owner's licenses may be in effect at any time. Except as provided in subsection (b), those eleven (11) licenses are as follows:

(1) Two (2) licenses for a riverboat that operates from the largest city located in the counties described under IC 4-33-1-1(1).

(2) One (1) license for a riverboat that operates from the second largest city located in the counties described under IC 4-33-1-1(1).

(3) One (1) license for a riverboat that operates from the third largest city located in the counties described under IC 4-33-1-1(1).

(4) One (1) license for a city located in the counties described under IC 4-33-1-1(1). This license may not be issued to a city described in subdivisions (1) through (3).

(5) A total of five (5) licenses for riverboats that operate upon the Ohio River from counties described under IC 4-33-1-1(2). The commission may not issue a license to an applicant if the issuance of the license would result in more than one (1) riverboat operating from a county described in IC 4-33-1-1(2).

(6) One (1) license for a riverboat that operates ~~upon Patoka Lake from a county in a historic district~~ described under IC 4-33-1-1(3).

(b) If a city described in subsection (a)(2) or (a)(3) conducts two (2) elections under section 20 of this chapter and the voters of the city do not vote in favor of permitting riverboat gambling at either of those elections, the license assigned to that city under subsection (a)(2) or (a)(3) may be issued to any city that:

(1) does not already have a riverboat operating from the city; and

(2) is located in a county described in IC 4-33-1-1(1).

SECTION 52. IC 4-33-6-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) A person applying for an owner's license under this chapter must pay a nonrefundable application fee to the commission. The commission shall determine the amount of the application fee. **However, the historic district described in IC 4-33-1-1(3) or a member of the district's historic preservation commission is not required to pay the fee charged under this subsection.**

(b) An applicant must submit the following on forms provided by the commission:

(1) If the applicant is an individual, two (2) sets of the individual's fingerprints.

(2) If the applicant is not an individual, two (2) sets of fingerprints for each officer and director of the applicant.

(c) The commission shall review the applications for an owner's license under this chapter and shall inform each applicant of the

commission's decision concerning the issuance of the owner's license.

(d) The costs of investigating an applicant for an owner's license under this chapter shall be paid from the application fee paid by the applicant.

(e) An applicant for an owner's license under this chapter must pay all additional costs that are:

- (1) associated with the investigation of the applicant; and
- (2) greater than the amount of the application fee paid by the applicant.

**(f) The commission shall recoup all the costs associated with investigating or reinvestigating an applicant that is a member of a historic preservation commission described in subsection (a) by imposing a special investigation fee upon the historic preservation commission's licensed operating agent.**

SECTION 53. IC 4-33-6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. The commission may not issue an owner's license under this chapter to a person if:

- (1) the person has been convicted of a felony under Indiana law, the laws of any other state, or laws of the United States;
  - (2) the person has knowingly or intentionally submitted an application for a license under this chapter that contains false information;
  - (3) the person is a member of the commission;
  - (4) the person is an officer, a director, or a managerial employee of a person described in subdivision (1) or (2);
  - (5) the person employs an individual who:
    - (A) is described in subdivision (1), (2), or (3); and
    - (B) participates in the management or operation of gambling operations authorized under this article;
  - (6) the person owns an ownership interest of more than ~~ten percent (10%) in more than one (1) other person holding an owner's license issued under the total amount of ownership interest permitted under section 3.5 of this chapter;~~ or
  - (7) a license issued to the person:
    - (A) under this article; or
    - (B) to own or operate gambling facilities in another jurisdiction;
- has been revoked.

SECTION 54. IC 4-33-6-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 3.5. (a) For purposes of this section, a person is considered to have an ownership interest in a riverboat owner's license if the interest is owned directly or indirectly by the person or by an entity controlled by the person.**

**(b) For purposes of this section, a person is considered to have an ownership interest in a riverboat license if the person is under contract to be the licensed operating agent for the riverboat.**

1 (c) A person may have up to a one hundred percent (100%)  
 2 ownership interest in not more than two (2) riverboat licenses  
 3 issued under this chapter.

4 (d) A person may not have an ownership interest in more than  
 5 two (2) riverboat owner's licenses issued under this chapter.  
 6 However, if a person:

7 (1) has an ownership interest in a riverboat owner's license;  
 8 and

9 (2) owns or manages a pari-mutuel pull tab facility under  
 10 IC 4-31-7.5;

11 the person may not have an ownership interest in any other  
 12 riverboat owner's license.

13 (e) This section may not be construed to increase the maximum  
 14 number of licenses permitted under section 1 of this chapter or the  
 15 number of riverboats that may be owned and operated under a  
 16 license under section 10 of this chapter.

17 SECTION 55. IC 4-33-6-5 IS AMENDED TO READ AS  
 18 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) **This section**  
 19 **does not apply to a riverboat located in a historic district described**  
 20 **in IC 4-33-1-1(3).**

21 (b) In an application for an owner's license, the applicant must state  
 22 the dock at which the riverboat is based and the navigable waterway on  
 23 which the riverboat will operate.

24 SECTION 56. IC 4-33-6-6 IS AMENDED TO READ AS  
 25 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) **Except as**  
 26 **provided in subsection (d),** a riverboat that operates in a county  
 27 described in IC 4-33-1-1(1) or IC 4-33-1-1(2) must:

28 (1) have a valid certificate of inspection from the United States  
 29 Coast Guard for the carrying of at least five hundred (500)  
 30 passengers; and

31 (2) be at least one hundred fifty (150) feet in length.

32 (b) A riverboat that operates ~~on Patoka Lake~~ **in a county described**  
 33 **under IC 4-33-1-1(3)** must:

34 (1) have the capacity to carry at least five hundred (500)  
 35 passengers;

36 (2) be at least one hundred fifty (150) feet in length; and

37 (3) meet safety standards required by the commission.

38 (c) This subsection applies only to a riverboat that operates on the  
 39 Ohio River. A riverboat must replicate, as nearly as possible, historic  
 40 Indiana steamboat passenger vessels of the nineteenth century.  
 41 However, steam propulsion or overnight lodging facilities are not  
 42 required under this subsection.

43 (d) A riverboat may become a permanently moored vessel if,  
 44 upon application to the commission, the commission determines  
 45 that it is in the best interests of the state and not detrimental to the  
 46 riverboat gaming industry. A permanently moored vessel is not  
 47 required to have a valid certificate of inspection from the United

1 **States Coast Guard but must comply with all terms and conditions**  
 2 **required by the commission for the safety of the passengers and**  
 3 **crew.**

4 SECTION 57. IC 4-33-6-8 IS AMENDED TO READ AS  
 5 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. If the  
 6 commission determines that a person is eligible under this chapter for  
 7 an owner's license, the commission may issue an owner's license to the  
 8 person if:

9 (1) the person pays an initial license fee of twenty-five thousand  
 10 dollars (\$25,000); and

11 (2) the person posts a bond as required in section 9 of this  
 12 chapter.

13 **However, the historic district described in IC 4-33-1-1(3) or a**  
 14 **member of the district's historic preservation commission is not**  
 15 **required to pay the fee charged under this section.**

16 SECTION 58. IC 4-33-6-9 IS AMENDED TO READ AS  
 17 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) **Except as**  
 18 **provided in subsection (1),** a licensed owner must post a bond with the  
 19 commission at least sixty (60) days before the commencement of  
 20 **regular gambling on the riverboat. ~~excursions.~~**

21 (b) The bond shall be furnished in:

22 (1) cash or negotiable securities;

23 (2) a surety bond:

24 (A) with a surety company approved by the commission; and

25 (B) guaranteed by a satisfactory guarantor; or

26 (3) an irrevocable letter of credit issued by a banking institution  
 27 of Indiana acceptable to the commission.

28 (c) If a bond is furnished in cash or negotiable securities, the  
 29 principal shall be placed without restriction at the disposal of the  
 30 commission, but income inures to the benefit of the licensee.

31 (d) The bond:

32 (1) is subject to the approval of the commission;

33 (2) must be in an amount that the commission determines will  
 34 adequately reflect the amount that a local community will expend  
 35 for infrastructure and other facilities associated with a riverboat  
 36 operation; and

37 (3) must be payable to the commission as obligee for use in  
 38 payment of the licensed owner's financial obligations to the local  
 39 community, the state, and other aggrieved parties, as determined  
 40 by the rules of the commission.

41 (e) If after a hearing (after at least five (5) days written notice) the  
 42 commission determines that the amount of a licensed owner's bond is  
 43 insufficient, the licensed owner shall upon written demand of the  
 44 commission file a new bond.

45 (f) The commission may require a licensed owner to file a new bond  
 46 with a satisfactory surety in the same form and amount if:

47 (1) liability on the old bond is discharged or reduced by judgment

rendered, payment made, or otherwise; or

(2) in the opinion of the commission any surety on the old bond becomes unsatisfactory.

(g) If a new bond obtained under subsection (e) or (f) is unsatisfactory, the commission shall cancel the owner's license. If the new bond is satisfactorily furnished, the commission shall release in writing the surety on the old bond from any liability accruing after the effective date of the new bond.

(h) A bond is released on the condition that the licensed owner remains at the site for which the owner's license is granted for the lesser of:

(1) five (5) years; or

(2) the date the commission grants a license to another licensed owner to operate from the site for which the bond was posted.

(i) A licensed owner who does not meet the requirements of subsection (h) forfeits a bond filed under this section. The proceeds of a bond that is in default under this subsection are paid to the commission for the benefit of the local unit from which the riverboat operated.

(j) The total and aggregate liability of the surety on a bond is limited to the amount specified in the bond and the continuous nature of the bond may in no event be construed as allowing the liability of the surety under a bond to accumulate for each successive approval period during which the bond is in force.

(k) A bond filed under this section is released sixty (60) days after:

(1) the time has run under subsection (h); and

(2) a written request is submitted by the licensed owner.

**(l) The historic district described in IC 4-33-1-1(3) or a member of the district's historic preservation commission is not required to post the bond required under this section.**

SECTION 59. IC 4-33-6-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) An owner's license issued under this chapter permits the holder to own and operate one (1) riverboat and equipment for each license.

(b) **An owner's license issued under this chapter permits the holder to:**

**(1) conduct gambling games authorized under this article while the riverboat is cruising or docked;**

**(2) allow the continuous ingress and egress of passengers for purposes of gambling; and**

**(3) conduct gambling games authorized under this article on a permanently moored vessel upon the approval of the commission under section 6 of this chapter.**

(c) An owner's license issued under this chapter must specify the place where the riverboat must operate and dock. However, the commission may permit the riverboat to dock at a temporary dock in the applicable city for a specific period of time not to exceed one (1)



1 year after the owner's license is issued.

2 ~~(c)~~ (d) An owner's initial license expires five (5) years after the  
3 effective date of the license.

4 SECTION 60. IC 4-33-6-11 IS AMENDED TO READ AS  
5 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. The  
6 commission may revoke an owner's license if:

7 (1) the licensee begins regular ~~riverboat excursions~~ **operations**  
8 more than twelve (12) months after receiving the commission's  
9 approval of the application for the license; and

10 (2) the commission determines that the revocation of the license  
11 is in the best interests of Indiana.

12 SECTION 61. IC 4-33-6-12 IS AMENDED TO READ AS  
13 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) Unless the  
14 owner's license is terminated, expires, or is revoked, the owner's license  
15 may be renewed annually upon:

16 (1) the payment of a five thousand dollar (\$5,000) annual renewal  
17 fee; and

18 (2) a determination by the commission that the licensee satisfies  
19 the conditions of this article.

20 **However, the historic district described in IC 4-33-1-1(3) or a**  
21 **member of the district's historic preservation commission is not**  
22 **required to pay the fee charged under this section.**

23 (b) A licensed owner shall undergo a complete investigation every  
24 three (3) years to determine that the licensed owner remains in  
25 compliance with this article.

26 (c) Notwithstanding subsection (b), the commission may investigate  
27 a licensed owner at any time the commission determines it is necessary  
28 to ensure that the licensee remains in compliance with this article.

29 (d) The licensed owner shall bear the cost of an investigation or  
30 reinvestigation of the licensed owner and any investigation resulting  
31 from a potential transfer of ownership.

32 **(e) The commission shall recoup all of the costs associated with**  
33 **investigating or reinvestigating a member of a historic**  
34 **preservation commission described in subsection (a) by imposing**  
35 **a special investigation fee upon the historic preservation**  
36 **commission's licensed operating agent.**

37 SECTION 62. IC 4-33-6-19 IS AMENDED TO READ AS  
38 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. (a) This section  
39 applies to:

40 (1) a county contiguous to the Ohio River;

41 ~~(2) a county contiguous to Patoka Lake;~~ and

42 ~~(3)~~ (2) a county contiguous to Lake Michigan that has a  
43 population of less than four hundred thousand (400,000).

44 (b) Notwithstanding any other provision of this article, the  
45 commission may not issue a license under this article to allow a  
46 riverboat to operate in the county unless the voters of the county have  
47 approved the conducting of gambling games on riverboats in the

1 county.

2 (c) If the docking of a riverboat in the county is approved by an  
3 ordinance adopted under section 18 of this chapter, or if at least the  
4 number of the registered voters of the county required under IC 3-8-6-3  
5 for a petition to place a candidate on the ballot sign a petition submitted  
6 to the circuit court clerk requesting that a local public question  
7 concerning riverboat gaming be placed on the ballot, the county  
8 election board shall place the following question on the ballot in the  
9 county during the next general election:

10 "Shall licenses be issued to permit riverboat gambling in \_\_\_\_  
11 County?".

12 (d) A public question under this section shall be placed on the ballot  
13 in accordance with IC 3-10-9 and must be certified in accordance with  
14 IC 3-10-9-3.

15 (e) The clerk of the circuit court of a county holding an election  
16 under this chapter shall certify the results determined under  
17 IC 3-12-4-9 to the commission and the department of state revenue.

18 (f) If a public question under this section is placed on the ballot in  
19 a county and the voters of the county do not vote in favor of permitting  
20 riverboat gambling under this article, a second public question under  
21 this section may not be held in that county for at least two (2) years. If  
22 the voters of the county vote to reject riverboat gambling a second time,  
23 a third or subsequent public question under this section may not be  
24 held in that county until the general election held during the tenth year  
25 following the year that the previous public question was placed on the  
26 ballot.

27 SECTION 63. IC 4-33-6-19.5 IS ADDED TO THE INDIANA  
28 CODE AS A NEW SECTION TO READ AS FOLLOWS  
29 [EFFECTIVE UPON PASSAGE]: **Sec. 19.5. (a) This section applies**  
30 **to a county having a population of more than nineteen thousand**  
31 **three hundred (19,300) but less than twenty thousand (20,000).**

32 (b) **The commission may issue only one (1) license under this**  
33 **article to allow a riverboat to operate in the county within a**  
34 **historic district established under IC 36-7-11.**

35 (c) **The commission may not issue a license under this article to**  
36 **allow a riverboat to operate in the county unless the voters of:**

37 (1) **a town having a population of more than one thousand five**  
38 **hundred (1,500) but less than two thousand two hundred**  
39 **(2,200) located in the county; and**

40 (2) **a town having a population of less than one thousand five**  
41 **hundred (1,500) located in the county;**

42 **have approved gambling on riverboats in the county.**

43 (d) **If at least the number of registered voters of the town**  
44 **required under IC 3-8-6-3 for a petition to place a candidate on the**  
45 **ballot sign a petition submitted to the clerk of the circuit court**  
46 **requesting that a local public question concerning riverboat**  
47 **gambling be placed on the ballot, the county election board shall**

place the following question on the ballot in the town described in subsection (c) during the next primary or general election or a special election held under this section:

"Shall a license be issued to allow riverboat gambling in the town of \_\_\_\_\_?"

(e) A public question under this section shall be placed on the ballot in accordance with IC 3-10-9.

(f) If a public question is placed on the ballot under this section and the voters of the town do not vote in favor of allowing riverboat gambling under IC 4-33, another public question regarding riverboat gambling may not be held in the town for at least two (2) years.

(g) In a special election held under this section:

(1) IC 3 applies, except as otherwise provided in this section; and

(2) at least as many precinct polling places as were used in the towns described in subsection (c) during the most recent municipal election must be used for the special election.

(h) The clerk of the circuit court of a county holding an election under this section shall certify the results determined under IC 3-12-4-9 to the commission and the department of state revenue.

SECTION 64. IC 4-33-6.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

#### **Chapter 6.5. Riverboat Operating Agent's License**

**Sec. 1.** This chapter applies only to a riverboat operated under a license described in IC 4-33-6-1(a)(6).

**Sec. 2. (a)** A person applying for an operating agent's license under this chapter must pay a nonrefundable application fee to the commission. The commission shall determine the amount of the application fee.

(b) An applicant must submit the following on forms provided by the commission:

(1) If the applicant is an individual, two (2) sets of the individual's fingerprints.

(2) If the applicant is not an individual, two (2) sets of fingerprints for each officer and director of the applicant.

(c) The commission shall review the applications for a license under this chapter and shall inform each applicant of the commission's decision concerning the issuance of the license.

(d) The costs of investigating an applicant for a license under this chapter shall be paid from the application fee paid by the applicant.

(e) An applicant for a license under this chapter must pay all additional costs that are:

(1) associated with the investigation of the applicant; and

(2) greater than the amount of the application fee paid by the applicant.

1       **Sec. 3. The commission may not issue an operating agent's**  
 2       **license under this chapter to a person if:**

- 3       (1) the person has been convicted of a felony under Indiana  
 4       law, the laws of any other state, or laws of the United States;  
 5       (2) the person has knowingly or intentionally submitted an  
 6       application for a license under this chapter that contains false  
 7       information;  
 8       (3) the person is a member of the commission;  
 9       (4) the person is an officer, a director, or a managerial  
 10      employee of a person described in subdivision (1) or (2);  
 11      (5) the person employs an individual who:  
 12          (A) is described in subdivision (1), (2), or (3); and  
 13          (B) participates in the management or operation of  
 14          gambling operations authorized under this article;  
 15      (6) the person owns an ownership interest of more than the  
 16      total amount of ownership interests permitted under  
 17      IC 4-33-6-3.5; or  
 18      (7) a license issued to the person:  
 19          (A) under this article; or  
 20          (B) to own or operate gambling facilities in another  
 21          jurisdiction;  
 22      has been revoked.

23      **Sec. 4. In determining whether to grant an operating agent's**  
 24      **license to an applicant, the commission shall consider the**  
 25      **following:**

- 26      (1) The character, reputation, experience, and financial  
 27      integrity of the following:  
 28          (A) The applicant.  
 29          (B) A person that:  
 30              (i) directly or indirectly controls the applicant; or  
 31              (ii) is directly or indirectly controlled by the applicant or  
 32              by a person that directly or indirectly controls the  
 33              applicant.  
 34      (2) The facilities or proposed facilities for the conduct of  
 35      riverboat gambling in a historic district described in  
 36      IC 4-33-1-1(3).  
 37      (3) The highest prospective total revenue to be collected by the  
 38      state from the conduct of riverboat gambling.  
 39      (4) The good faith affirmative action plan of each applicant to  
 40      recruit, train, and upgrade minorities in all employment  
 41      classifications.  
 42      (5) The financial ability of the applicant to purchase and  
 43      maintain adequate liability and casualty insurance.  
 44      (6) If the applicant has adequate capitalization to operate a  
 45      riverboat for the duration of the license.  
 46      (7) The extent to which the applicant exceeds or meets other  
 47      standards adopted by the commission.

48      **Sec. 5. If the commission determines that a person is eligible**

under this chapter for an operating agent's license, the commission may issue an operating agent's license to the person if:

- (1) the person pays an initial license fee of twenty-five thousand dollars (\$25,000); and
- (2) the person posts a bond as required in section 6 of this chapter.

**Sec. 6. (a)** A licensed operating agent must post a bond with the commission at least sixty (60) days before the commencement of regular riverboat operations in the historic district described in IC 4-33-1-1(3).

**(b)** The bond shall be furnished in:

- (1) cash or negotiable securities;
- (2) a surety bond:
  - (A) with a surety company approved by the commission; and
  - (B) guaranteed by a satisfactory guarantor; or
- (3) an irrevocable letter of credit issued by a banking institution of Indiana acceptable to the commission.

**(c)** If a bond is furnished in cash or negotiable securities, the principal shall be placed without restriction at the disposal of the commission, but income inures to the benefit of the licensee.

**(d)** The bond:

- (1) is subject to the approval of the commission; and
- (2) must be payable to the commission as obligee for use in payment of the riverboat's financial obligations to the local community, the state, and other aggrieved parties, as determined by the rules of the commission.

**(e)** If after a hearing (after at least five (5) days written notice) the commission determines that the amount of a licensed operating agent's bond is insufficient, the operating agent shall, upon written demand of the commission, file a new bond.

**(f)** The commission may require a licensed operating agent to file a new bond with a satisfactory surety in the same form and amount if:

- (1) liability on the old bond is discharged or reduced by judgment rendered, payment made, or otherwise; or
- (2) in the opinion of the commission any surety on the old bond becomes unsatisfactory.

**(g)** If a new bond obtained under subsection (e) or (f) is unsatisfactory, the commission shall cancel the operating agent's license. If the new bond is satisfactorily furnished, the commission shall release in writing the surety on the old bond from any liability accruing after the effective date of the new bond.

**(h)** A bond is released on the condition that the licensed operating agent remains at the site of the riverboat operating within a historic district:

- (1) for five (5) years; or
- (2) until the date the commission grants a license to another

operating agent to operate from the site for which the bond was posted; whichever occurs first.

(i) An operating agent who does not meet the requirements of subsection (h) forfeits a bond filed under this section. The proceeds of a bond that is in default under this subsection are paid to the commission for the benefit of the local unit from which the riverboat operated.

(j) The total liability of the surety on a bond is limited to the amount specified in the bond, and the continuous nature of the bond may not be construed as allowing the liability of the surety under a bond to accumulate for each successive approval period during which the bond is in force.

(k) A bond filed under this section is released sixty (60) days after:

(1) the time specified under subsection (h); and

(2) a written request is submitted by the operating agent.

**Sec. 7. (a) Unless the operating agent's license is terminated, expires, or is revoked, the operating agent's license may be renewed annually upon:**

(1) the payment of a five thousand dollar (\$5,000) annual renewal fee; and

(2) a determination by the commission that the licensee satisfies the conditions of this article.

(b) An operating agent shall undergo a complete investigation every three (3) years to determine that the operating agent remains in compliance with this article.

(c) Notwithstanding subsection (b), the commission may investigate an operating agent at any time the commission determines it is necessary to ensure that the licensee remains in compliance with this article.

(d) The operating agent shall bear the cost of an investigation or a reinvestigation of the operating agent.

**Sec. 8. A license issued under this chapter permits the holder to operate a riverboat on behalf of the licensed owner of the riverboat.**

**Sec. 9. An operating agent licensed under this chapter is charged with all the duties imposed upon a licensed owner under this article, including the collection and remission of taxes under IC 4-33-13.**

**SECTION 65. IC 4-33-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. A person may not receive a supplier's license if:**

(1) the person has been convicted of a felony under Indiana law, the laws of any other state, or laws of the United States;

(2) the person has knowingly or intentionally submitted an application for a license under this chapter that contains false information;

- (3) the person is a member of the commission;
- (4) the person is an officer, a director, or a managerial employee of a person described in subdivision (1) or (2);
- (5) the person employs an individual who:
  - (A) is described in subdivision (1), (2), or (3); and
  - (B) participates in the management or operation of gambling operations authorized under this article;
- (6) the person owns more than a ten percent (10%) ownership interest in any other person holding an owner's license issued under this ~~chapter~~; **article**; or
- (7) a license issued to the person:
  - (A) under this article; or
  - (B) to supply gaming supplies in another jurisdiction;
 has been revoked.

SECTION 66. IC 4-33-7.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]:

**Chapter 7.5. Pari-Mutuel Pull Tab Suppliers**

**Sec. 1. The commission may issue a supplier's license under this chapter to a person if:**

- (1) the person has:**
  - (A) applied for the supplier's license;**
  - (B) paid a nonrefundable application fee set by the commission;**
  - (C) paid a five thousand dollar (\$5,000) annual license fee; and**
  - (D) submitted on forms provided by the commission:**
    - (i) if the applicant is an individual, two (2) sets of the individual's fingerprints; and**
    - (ii) if the applicant is not an individual, two (2) sets of fingerprints for each officer and director of the applicant; and**
- (2) the commission has determined that the applicant is eligible for a supplier's license.**

**Sec. 2. (a) A person holding a supplier's license may sell, lease, and contract to sell or lease pari-mutuel pull tab terminals and devices to a permit holder authorized to sell and redeem pari-mutuel pull tab tickets under IC 4-31-7.5.**

**(b) Pari-mutuel pull tab terminals and devices may not be distributed unless the terminals and devices conform to standards adopted by the commission.**

**Sec. 3. A person may not receive a supplier's license if:**

- (1) the person has been convicted of a felony under Indiana law, the laws of any other state, or laws of the United States;**
- (2) the person has knowingly or intentionally submitted an application for a license under this chapter that contains false information;**

- 1 (3) the person is a member of the commission;
- 2 (4) the person is an officer, a director, or a managerial
- 3 employee of a person described in subdivision (1) or (2);
- 4 (5) the person employs an individual who:
  - 5 (A) is described in subdivision (1), (2), or (3); and
  - 6 (B) participates in the management or operation of
  - 7 gambling operations authorized under this article;
- 8 (6) the person owns more than a ten percent (10%) ownership
- 9 interest in any other person holding a permit issued under
- 10 IC 4-31; or
- 11 (7) a license issued to the person:
  - 12 (A) under this article; or
  - 13 (B) to supply gaming supplies in another jurisdiction;
  - 14 has been revoked.

15 **Sec. 4. A person may not furnish pari-mutuel pull tab terminals**  
 16 **or devices to a permit holder unless the person possesses a**  
 17 **supplier's license.**

18 **Sec. 5. (a) A supplier shall furnish to the commission a list of all**  
 19 **pari-mutuel pull tab terminals and devices offered for sale or lease**  
 20 **in connection with the sale of pari-mutuel pull tab tickets**  
 21 **authorized under IC 4-31-7.5.**

22 **(b) A supplier shall keep books and records for the furnishing**  
 23 **of pari-mutuel pull tab terminals and devices to permit holders**  
 24 **separate from books and records of any other business operated by**  
 25 **the supplier.**

26 **(c) A supplier shall file a quarterly return with the commission**  
 27 **listing all sales and leases.**

28 **(d) A supplier shall permanently affix the supplier's name to all**  
 29 **of the supplier's pari-mutuel pull tab terminals or devices provided**  
 30 **to permit holders under this chapter.**

31 **Sec. 6. A supplier's pari-mutuel pull tab terminals or devices**  
 32 **that are used by a person in an unauthorized gambling operation**  
 33 **shall be forfeited to the state.**

34 **Sec. 7. Pari-mutuel pull tab terminals and devices that are**  
 35 **provided by a supplier may be:**

- 36 (1) repaired on the premises of a racetrack or satellite facility;
- 37 or
- 38 (2) removed for repair from the premises of a permit holder
- 39 to a facility owned by the permit holder.

40 **Sec. 8. (a) Unless a supplier's license is suspended, expires, or is**  
 41 **revoked, the supplier's license may be renewed annually upon:**

- 42 (1) the payment of a five thousand dollar (\$5,000) annual
- 43 renewal fee; and
- 44 (2) a determination by the commission that the licensee is in
- 45 compliance with this article.

46 **(b) The holder of a supplier's license shall undergo a complete**  
 47 **investigation every three (3) years to determine that the licensee is**  
 48 **in compliance with this article.**



1       (c) Notwithstanding subsection (b), the commission may  
 2 investigate the holder of a supplier's license at any time the  
 3 commission determines it is necessary to ensure that the licensee is  
 4 in compliance with this article.

5       (d) The holder of a supplier's license shall bear the cost of an  
 6 investigation or reinvestigation of the licensee and any  
 7 investigation resulting from a potential transfer of ownership.

8       SECTION 67. IC 4-33-8-5 IS AMENDED TO READ AS  
 9 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 5. (a) An application  
 10 for an occupational license must:

- 11       (1) be made on forms prescribed by the commission; and
- 12       (2) contain all information required by the commission.

13       (b) An applicant for an occupational license must provide the  
 14 following information in the application:

- 15       (1) If the applicant has held other licenses relating to gambling.
- 16       (2) If the applicant has been licensed in any other state under any  
 17 other name. The applicant must provide under this subdivision the  
 18 name under which the applicant was licensed in the other state.
- 19       (3) The applicant's age.
- 20       (4) If a permit or license issued to the applicant in another state  
 21 has been suspended, restricted, or revoked. The applicant must  
 22 describe the date and length of a suspension, restriction, or  
 23 revocation described in this subdivision.

24       (c) The information contained in an application for an  
 25 occupational license may be confidential except for the following:

- 26       (1) The first and last name of the applicant.
- 27       (2) The age of the applicant.
- 28       (3) The city and state of the applicant's residence.
- 29       (4) The occupational license number.
- 30       (5) The applicant's business address.
- 31       (6) The applicant's business telephone number.
- 32       (7) The level of license for which the applicant has applied.
- 33       (8) The employment position for which the applicant has  
 34 applied.

35       SECTION 68. IC 4-33-8-11 IS AMENDED TO READ AS  
 36 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 11. (a) An individual  
 37 who is disqualified under section 3(2) of this chapter due to a  
 38 conviction for a felony may apply to the commission for a waiver of the  
 39 requirements of section 3(2) of this chapter.

40       (b) The commission may waive **during a public meeting** the  
 41 requirements of section 3(2) of this chapter with respect to an  
 42 individual applying for an occupational license if:

- 43       (1) the individual qualifies for a waiver under subsection (e) or  
 44 (f); and
- 45       (2) the commission determines that the individual has  
 46 demonstrated by clear and convincing evidence the individual's  
 47 rehabilitation.

(c) In determining whether the individual applying for the occupational license has demonstrated rehabilitation under subsection (b), the commission shall consider the following factors:

- (1) The nature and duties of the position applied for by the individual.
- (2) The nature and seriousness of the offense or conduct.
- (3) The circumstances under which the offense or conduct occurred.
- (4) The date of the offense or conduct.
- (5) The age of the individual when the offense or conduct was committed.
- (6) Whether the offense or conduct was an isolated or a repeated incident.
- (7) A social condition that may have contributed to the offense or conduct.
- (8) Evidence of rehabilitation, including good conduct in prison or in the community, counseling or psychiatric treatment received, acquisition of additional academic or vocational education, successful participation in a correctional work release program, or the recommendation of a person who has or has had the individual under the person's supervision.
- (9) The complete criminal record of the individual.
- (10) The prospective employer's written statement that:
  - (A) the employer has been advised of all of the facts and circumstances of the individual's criminal record; and
  - (B) after having considered the facts and circumstances, the prospective employer will hire the individual if the commission grants a waiver of the requirements of section 3(2) of this chapter.

(d) The commission may not waive the requirements of section 3(2) of this chapter for an individual who has been convicted of committing any of the following:

- (1) A felony in violation of federal law (as classified in 18 U.S.C. 3559).
- (2) A felony of fraud, deceit, or misrepresentation under the laws of Indiana or any other jurisdiction.
- (3) A felony of conspiracy to commit a felony described in subdivision (1), (2), or (4) under the laws of Indiana or any other jurisdiction.
- (4) A felony of gambling under IC 35-45-5 or IC 35-45-6 or a crime in any other jurisdiction in which the elements of the crime for which the conviction was entered are substantially similar to the elements of a crime described in IC 35-45-5 or IC 35-45-6.

(e) The commission may waive the requirements of section 3(2) of this chapter for an individual if:

- (1) the individual has been convicted of committing:
  - (A) a felony described in IC 35-42 against another human

- 1 being or a felony described in IC 35-48-4;
- 2 (B) a felony under Indiana law that results in bodily injury,
- 3 serious bodily injury, or death to another human being; or
- 4 (C) a crime in any other jurisdiction in which the elements of
- 5 the crime for which the conviction was entered are
- 6 substantially similar to the elements of a felony described in
- 7 clause (A) or (B); and
- 8 (2) ten (10) years have elapsed from the date the individual was
- 9 discharged from probation, imprisonment, or parole, whichever
- 10 is later, for the conviction described in subdivision (1).
- 11 (f) The commission may waive the requirements of section 3(2) of
- 12 this chapter for an individual if:
- 13 (1) the individual has been convicted in Indiana or any other
- 14 jurisdiction of committing a felony not described in subsection (d)
- 15 or (e); and
- 16 (2) five (5) years have elapsed from the date the individual was
- 17 discharged from probation, imprisonment, or parole, whichever
- 18 is later, for the conviction described in subdivision (1).
- 19 (g) To enable a prospective employer to determine, for purposes of
- 20 subsection (c)(10), whether the prospective employer has been advised
- 21 of all of the facts and circumstances of the individual's criminal record,
- 22 the commission shall notify the prospective employer of all information
- 23 that the commission:
- 24 (1) has obtained concerning the individual; and
- 25 (2) is authorized to release under IC 5-14.
- 26 (h) The commission shall deny the individual's request to waive the
- 27 requirements of section 3(2) of this chapter if the individual fails to
- 28 disclose to both the commission and the prospective employer all
- 29 information relevant to this section.
- 30 SECTION 69. IC 4-33-9-3 IS AMENDED TO READ AS
- 31 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) Except as
- 32 provided in subsection (b), a riverboat ~~excursions~~ **cruise** may not
- 33 exceed four (4) hours for a round trip.
- 34 (b) Subsection (a) does not apply to an extended cruise that is
- 35 expressly approved by the commission.
- 36 SECTION 70. IC 4-33-9-14 IS AMENDED TO READ AS
- 37 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) This section
- 38 applies only to a riverboat that operates from a county that is
- 39 contiguous to the Ohio River.
- 40 (b) A ~~gambling excursion~~ **cruise** is permitted only when the
- 41 navigable waterway for which the riverboat is licensed is navigable, as
- 42 determined by the commission in consultation with the United States
- 43 Army Corps of Engineers.
- 44 SECTION 71. IC 4-33-9-15 IS AMENDED TO READ AS
- 45 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) All tokens,
- 46 chips, or electronic cards that are used to make wagers must be
- 47 purchased from the owner of the riverboat:

1 (1) while on board the riverboat; or

2 (2) at an on-shore facility that:

3 (A) has been approved by the commission; and

4 (B) is located where the riverboat docks.

5 (b) The tokens, chips, or electronic cards may be purchased by  
6 means of an agreement under which the owner extends credit to the  
7 patron.

8 **(c) A licensed owner may not seek treble damages in an action**  
9 **to collect a gambling debt incurred under this section.**

10 SECTION 72. IC 4-33-10-1 IS AMENDED TO READ AS  
11 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. (a) A person who  
12 knowingly or intentionally:

13 (1) makes a false statement on an application submitted under this  
14 article;

15 (2) operates a ~~gambling excursion riverboat~~ in which wagering  
16 is conducted or is to be conducted in a manner other than the  
17 manner required under this article;

18 (3) permits a person less than twenty-one (21) years of age to  
19 make a wager;

20 (4) wagers or accepts a wager at a location other than a riverboat;

21 ~~or~~

22 (5) makes a false statement on an application submitted to the  
23 commission under this article **or under IC 4-31-7.5;**

24 **(6) aids, induces, or causes a person less than twenty-one (21)**  
25 **years of age who is not an employee of the riverboat gambling**  
26 **operation to enter or attempt to enter a riverboat; or**

27 **(7) aids, induces, or causes a person less than twenty-one (21)**  
28 **years of age who is not an employee of a pari-mutuel pull tab**  
29 **operation licensed under IC 4-31-7.5 to enter or attempt to**  
30 **enter the pari-mutuel pull tab operation;**

31 commits a Class A misdemeanor.

32 **(b) A person who:**

33 **(1) is not an employee of the riverboat operation;**

34 **(2) is less than twenty-one (21) years of age; and**

35 **(3) knowingly or intentionally enters or attempts to enter a**  
36 **riverboat;**

37 **commits a Class A misdemeanor.**

38 **(c) A person who:**

39 **(1) is not an employee of a pari-mutuel pull tab operation**  
40 **licensed under IC 4-31;**

41 **(2) is less than twenty-one (21) years of age; and**

42 **(3) knowingly or intentionally enters or attempts to enter the**  
43 **pari-mutuel pull tab operation;**

44 **commits a Class A misdemeanor.**

45 SECTION 73. IC 4-33-10-5 IS AMENDED TO READ AS  
46 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. An action to  
47 prosecute a crime occurring during a gambling ~~excursion on a~~

1 **riverboat** shall be tried in the county of the dock where the riverboat  
 2 is ~~based~~: **located**.

3 SECTION 74. IC 4-33-13-1 IS AMENDED TO READ AS  
 4 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. (a) A tax is imposed  
 5 on the adjusted gross receipts received from gambling games  
 6 authorized under this article at the rate of:

7 ~~twenty percent (20%)~~ (1) **twenty-eight percent (28%)** of the  
 8 ~~amount first one hundred million dollars (\$100,000,000)~~ of the  
 9 adjusted gross receipts **received during the period beginning**  
 10 **July 1 of each year and ending June 30 of the following year;**  
 11 **and**

12 (2) **thirty-one percent (31%) of the adjusted gross receipts**  
 13 **exceeding one hundred million dollars (\$100,000,000) that are**  
 14 **received during the period beginning July 1 of each year and**  
 15 **ending June 30 of the following year.**

16 (b) The licensed owner shall remit the tax imposed by this chapter  
 17 to the department before the close of the business day following the day  
 18 the wagers are made.

19 (c) The department may require payment under this section to be  
 20 made by electronic funds transfer (as defined in IC 4-8.1-2-7(e)).

21 (d) If the department requires taxes to be remitted under this chapter  
 22 through electronic funds transfer, the department may allow the  
 23 licensed owner to file a monthly report to reconcile the amounts  
 24 remitted to the department.

25 (e) The department may allow taxes remitted under this section to  
 26 be reported on the same form used for taxes paid under IC 4-33-12  
 27 **(before its repeal).**

28 SECTION 75. IC 4-33-13-4, AS AMENDED BY P.L.273-1999,  
 29 SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 30 JULY 1, 2002]: Sec. 4. Sufficient funds are annually appropriated to  
 31 the commission from the state gaming fund to administer this article.  
 32 **Funds in the fund are available, with the approval of the budget**  
 33 **agency, to augment and supplement the funds appropriated to the**  
 34 **commission for the purpose of administering pari-mutuel pull tabs**  
 35 **under IC 4-31-7.5.**

36 SECTION 76. IC 4-33-13-5, AS AMENDED BY P.L.186-2002,  
 37 SECTION 11, AND AS AMENDED BY P.L.178-2002, SECTION 3,  
 38 IS CORRECTED AND AMENDED TO READ AS FOLLOWS  
 39 [EFFECTIVE JULY 1, 2002]: Sec. 5. (a) **This subsection does not**  
 40 **apply to a riverboat located in a historic district described in**  
 41 **IC 4-33-1-1(3).** After funds are appropriated under section 4 of this  
 42 chapter, each ~~month~~ **year** the treasurer of state shall distribute the tax  
 43 revenue deposited in the state gaming fund under this chapter to the  
 44 following:

45 (1) Twenty-five percent (25%) of the tax revenue remitted by  
 46 each licensed owner shall be paid **as follows:**

47 ~~(A) to the city that is designated as the home dock of the~~

riverboat from which the tax revenue was collected; in the case of:

- (i) a city described in IC 4-33-12-6(b)(1)(A); or
- (ii) a city located in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000);

(B) in equal shares to the counties described in IC 4-33-1-1(3); in the case of a riverboat whose home dock is on Patoka Lake; or

(C) (A) Twenty-five percent (25%) to the county that is designated as the home dock of in which the riverboat from which the tax revenue was collected in the case of a riverboat whose home dock is not in a city described in clause (A) or a county described in clause (B); and is located.

(B) Two and five-tenths percent (2.5%) to the county convention and visitors bureau of the county in which the riverboat from which the tax revenue was collected is located.

(C) The remainder to the city that is designated as the home dock of the riverboat from which the tax revenue was collected in the case of a riverboat docked in a city that:

- (i) is described in IC 4-33-6-1(a)(1) through IC 4-33-6-1(a)(4) or IC 4-33-6-1(b); or
- (ii) is contiguous to the Ohio River and is the largest city in the county.

If the riverboat is not docked in a city described in item (i) or (ii), the amount paid under this clause must be paid to the county in which the riverboat from which the tax revenue was collected is located.

The treasurer of state shall distribute the amounts that are required to be paid under this subdivision to the counties, cities, and convention and visitors bureaus on a monthly basis.

(2) Except as provided in subsection (g), seventy-five percent (75%) of the tax revenue remitted by each licensed owner shall be paid as follows:

(A) Twenty-six million dollars (\$26,000,000) minus the amount, if any, paid to the Indiana horse racing commission under IC 4-31-7.6-4 shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

- (i) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.
- (ii) To each racetrack that has been approved by the

Indiana horse racing commission under IC 4-31. The Indiana horse racing commission may make a grant under this clause only for purses, promotions, and routine operations of a racetrack. No grants shall be made for long term capital investment or construction and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.

(iii) To county fairs, 4-H fairs, a fair located in a town having a population of more than one thousand one hundred (1,100) located in a county having a population of more than thirty-six thousand seventy-five (36,075) but less than thirty-seven thousand (37,000), and a trotting association located in a county having a population of more than twenty-one thousand eight hundred (21,800) but less than twenty-two thousand one hundred (22,100). Distributions made under this item shall be used for the maintenance and operation of horse racing facilities.

Before August 1 of each year, the treasurer of state shall set aside the amount of the money subtracted from the amount paid to the Indiana horse racing commission under this clause in the preceding state fiscal year to make the revenue sharing distributions required under subsection (f).

(B) Four million dollars (\$4,000,000) to the division of mental health and addiction.

(C) Six million dollars (\$6,000,000) to the state fair commission for use in any activity that the commission is authorized to carry out under IC 15-1.5-3.

(D) Fifteen million dollars (\$15,000,000) to the Indiana twenty-first century research and technology fund.

(E) The remainder to the state general fund.

The treasurer of state shall proportionately distribute the amounts that are required to be paid in each state fiscal year under clauses (A) through (E) in twelve (12) equal installments based on an estimate of total projected revenues for the state fiscal year certified by the budget agency or, if the budget agency modifies its estimate, the recertified estimate of projected revenues for the state fiscal year. In December of each state fiscal year, the treasurer of state shall transfer from money deposited under clause (E) to each of the specified purposes under clauses (A) through (D) the remainder of any amount necessary to provide fifty percent (50%) of the funding specified in clauses (A) through (D) for each of the specified purposes after deducting the sum of the amounts remitted on a monthly basis to that purpose in the state fiscal year. In June of each state fiscal year, the treasurer of state shall transfer from money deposited under

clause (E) to each of the specified purposes under clauses (A) through (D) the remainder of any amount necessary to provide one hundred percent (100%) of the funding specified in clauses (A) through (D) for each of the specified purposes after deducting the sum of the amounts remitted on a monthly basis to that purpose in the state fiscal year. However, if insufficient money is deposited under clause (E) to comply with this subsection, the treasurer of state shall proportionally reduce the amount transferred to each purpose in clauses (A) through (D).

(b) Each state fiscal year the treasurer of state shall transfer from the tax revenue remitted to the state general fund under subsection (a)(2)(E) to the build Indiana fund *lottery and gaming surplus account*: an amount not to exceed two hundred fifty million dollars (\$250,000,000). The amount transferred under this subsection shall be paid in two (2) equal installments not to exceed one hundred twenty-five million dollars (\$125,000,000) each on the last day of December and the last day of June each state fiscal year and shall be reduced by the following amounts deposited in the build Indiana fund during the same state fiscal year:

(1) Surplus lottery revenues under IC 4-30-17-3.

(2) Surplus revenue from the charity gaming enforcement fund under IC 4-32-10-6.

(3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.

The treasurer of state shall distribute the amounts required to be paid under this subsection based on an estimate of total amount to be transferred to the state general fund under subsection (a)(2)(E) for the state fiscal year certified by the budget agency or, if the budget agency modifies its estimate, the recertified estimate of the amount to be transferred to the state general fund under subsection (a)(2)(E). If in any state fiscal year insufficient money is transferred to the state general fund under subsection (a)(2)(E) to comply with this subsection, the treasurer of state shall reduce the amount transferred to the build Indiana fund to the amount available in the state general fund from the transfers under subsection (a)(2)(E) for the state fiscal year. Projects for which money was appropriated from the build Indiana fund under P.L.291-2001, SECTION 38, must be funded, upon review of the budget committee, from the money transferred under this subsection.

(c) This subsection applies only to a riverboat located in a historic district described in IC 4-33-1-1(3). After funds are appropriated under section 4 of this chapter, each year the treasurer of state shall distribute the tax revenue deposited in the state gaming fund under this chapter to the following:

(1) Twenty percent (20%) to the state general fund.

(2) Thirty-five percent (35%) to the historic district described



1 in IC 4-33-1-1(3).

2 (3) Twenty-seven percent (27%) to be divided evenly among  
3 the counties contiguous to Patoka Lake.

4 (4) Five and five-tenths percent (5.5%) to a town described in  
5 IC 4-33-1-1(3)(C)(i).

6 (5) Five and five-tenths percent (5.5%) to a town described in  
7 IC 4-33-1-1(3)(C)(ii).

8 (6) Two percent (2%) to the tourism commission of a town  
9 described in IC 4-33-1-1(3)(C)(i).

10 (7) Two percent (2%) to the tourism commission of a town  
11 described in IC 4-33-1-1(3)(C)(ii).

12 (8) Three percent (3%) to a county having a population of  
13 more than nineteen thousand three hundred (19,300) but less  
14 than twenty thousand (20,000). Money distributed to a county  
15 under this subdivision must be used to make grants to other  
16 government agencies.

17 The treasurer of state shall distribute the amounts that are  
18 required to be paid under this subsection on a monthly basis.

19 (d) If a permit holder sells pull tabs at a racetrack or satellite  
20 facility, the maximum amount that the Indiana horse racing  
21 commission may grant for routine operations at the permit  
22 holder's racetrack under subsection (a)(2)(A)(ii) is equal to:

23 (1) the total amount granted under this section in a calendar  
24 year to a racetrack operated by a permit holder under a  
25 recognized meeting permit first issued before January 1,  
26 2002; minus

27 (2) the total adjusted gross receipts reported by a permit  
28 holder under IC 4-31-7.6-3 for the twelve (12) months  
29 immediately preceding the date on which the grant is  
30 distributed.

31 (e) Money received by the division of mental health and  
32 addiction under subsection (a)(2)(B):

33 (1) is annually appropriated to the division of mental health  
34 and addiction;

35 (2) shall be distributed to the division of mental health and  
36 addiction at times during each state fiscal year determined by  
37 the budget agency; and

38 (3) shall be used by the division of mental health and addiction  
39 for programs and facilities for the prevention and treatment  
40 of addictions to drugs, alcohol, and compulsive gambling,  
41 including the creation and maintenance of a toll free  
42 telephone line to provide the public with information about  
43 these addictions.

44 The division of mental health and addiction shall allocate at least  
45 twenty-five percent (25%) of the money received under subdivision  
46 (3) to the prevention and treatment of compulsive gambling.

47 (f) Before August 15, the treasurer of state shall distribute the  
48 wagering taxes set aside for revenue sharing under subsection

(a)(2)(A) to the county treasurer of each county that does not have a riverboat, a pari-mutuel horse racing track, or a pari-mutuel horse racing satellite facility that offers pari-mutuel pull tabs according to the ratio that the county's population bears to the total population of the counties that do not have a riverboat, a pari-mutuel horse racing track, or a pari-mutuel horse racing satellite facility that offers pari-mutuel pull tabs. The county treasurer shall distribute the money received by the county under this subsection as follows:

(1) Ten percent (10%) of the money shall be retained by the county to promote tourism. If a county has a convention, visitor, and tourism promotion fund, or a similar fund, the county treasurer shall deposit the required amount into the fund.

(2) Ninety percent (90%) of the money shall be distributed as follows:

(A) To each city located in the county according to the ratio the city's population bears to the total population of the county.

(B) To each town located in the county according to the ratio the town's population bears to the total population of the county.

(C) After the distributions required in clauses (A) and (B) are made, the remainder shall be retained by the county.

(g) If the treasurer of state determines that the amount distributed to a city, county, or county convention and visitor's bureau under subsection (a)(1) is less than the average monthly distribution as determined over the preceding twelve (12) months, the treasurer of state shall make an additional distribution to the city, county, or county convention and visitor's bureau. The additional distribution is equal to the difference between the average monthly distribution and the amount distributed under subsection (a)(1). The treasurer of state shall make the additional distribution required under this subsection from tax revenues that would have otherwise been distributed under subsection (a)(2).

SECTION 77. IC 4-33-13-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 6. (a) Money paid to a unit of local government under this chapter:

(1) must be paid to the fiscal officer of the unit and may be deposited in the unit's general fund or riverboat fund established under IC 36-1-8-9, or both;

(2) may not be used to reduce the unit's maximum or actual levy under IC 6-1.1-18.5; and

(3) may be used for any legal or corporate purpose of the unit, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4.

(b) This chapter does not prohibit the city or county designated as the home dock of the riverboat from entering into agreements with

other units of local government in Indiana or in other states to share the city's or county's part of the tax revenue received under this chapter.

(c) **Money paid by the treasurer of state under section 5(c)(6) and 5(c)(7) of this chapter must be used only for the tourism promotion, advertising, and economic development activities of the respective towns.**

SECTION 78. IC 4-33-13-7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 7. A licensed owner shall renegotiate an economic development agreement entered into with a unit of government if payments to the unit that are required under the agreement are based on the admissions tax imposed under IC 4-33-12 (before its repeal). An agreement negotiated under this section may not allow a licensed owner to reduce the licensed owner's obligations to the parties to the economic development agreement beneath the amounts paid under the agreement in 2001.**

SECTION 79. IC 4-33-13-8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 8. If a political subdivision that is designated as the home dock of a riverboat has entered into an interlocal cooperation agreement to distribute a portion of the riverboat admissions tax paid to the political subdivision under IC 4-33-12 (before its repeal) to additional political subdivisions, the political subdivision that is designated as the home dock of a riverboat shall distribute tax revenues paid to the political subdivision under section 5(a)(1) of this chapter in amounts consistent with the terms of the interlocal cooperation agreement. Any dispute over the distribution of tax revenue in accordance with this section shall be resolved by the Indiana gaming commission.**

SECTION 80. IC 4-33-14-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 1. The general assembly declares that the opportunity for full minority and women's business enterprise participation in the riverboat ~~industry~~ and pari-mutuel pull tab industries is essential if social and economic parity is to be obtained by minority and women business persons and if the economies of the riverboat ~~cities~~ and pari-mutuel pull tab communities are to be stimulated as contemplated by this article and IC 4-31-7.5. In complying with this chapter, a licensed owner or permit holder should give priority to minority and women's business enterprises in the following order:**

- (1) Local enterprises.**
- (2) Enterprises located in Indiana and the region surrounding the licensee's riverboat or pull tab facility.**
- (3) Indiana enterprises.**
- (4) National enterprises.**

SECTION 81. IC 4-33-14-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS

[EFFECTIVE JULY 1, 2002]: **Sec. 1.5. This chapter applies to:**

- (1) a licensed owner of a riverboat licensed under this article;**
- and**
- (2) a permit holder licensed to sell pari-mutuel pull tabs under IC 4-31-7.5.**

SECTION 82. IC 4-33-14-5, AS AMENDED BY P.L.195-2001, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 5. (a) As used in this section, "goods and services" does not include the following:

- (1) Utilities and taxes.
- (2) Financing costs, mortgages, loans, or other debt.
- (3) Medical insurance.
- (4) Fees and payments to a parent or an affiliated company of the person holding an owner's license **or a pari-mutuel pull tab license**, other than fees and payments for goods and services supplied by nonaffiliated persons through an affiliated company for the use or benefit of the person holding the owner's license **or a pari-mutuel pull tab license**.
- (5) Rents paid for real property or payments constituting the price of an interest in real property as a result of a real estate transaction.

(b) Notwithstanding any law or rule to the contrary, the commission shall establish annual goals for a person issued an owner's license **or a pari-mutuel pull tab license**:

- (1) for the use of minority and women's business enterprises; and
- (2) derived from a statistical analysis of utilization study of licensee contracts for goods and services that are required to be updated every five (5) years.

A person holding an owner's license **or a pari-mutuel pull tab license** shall submit annually to the commission a report that includes the total dollar value of contracts awarded for goods or services and the percentage awarded to minority and women's business enterprises.

(c) A person holding an owner's license **or a pari-mutuel pull tab license** shall make a good faith effort to meet the requirements of this section and shall annually demonstrate to the commission that an effort was made to meet the requirements.

(d) A person holding an owner's license **or a pari-mutuel pull tab license** may fulfill not more than seventy percent (70%) of an obligation under this chapter by requiring a vendor to set aside a part of a contract for minority or women's business enterprises. Upon request, the licensee shall provide the commission with proof of the amount of the set aside.

SECTION 83. IC 4-33-14-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 6. If the commission determines that the provisions of this chapter relating to expenditures and assignments to minority and women's business enterprises have not been met by a licensee, the commission may suspend, limit, or revoke

the owner's license ~~or fine or the permit holder's~~ **pari-mutuel pull tab license**, or impose **a civil penalty or** appropriate conditions on the licensee to ensure that the goals for expenditures and assignments to minority and women's business enterprises are met. However, if a determination is made that a person holding an owner's license ~~or a~~ **pari-mutuel pull tab license** has failed to demonstrate compliance with this chapter, the person has ninety (90) days from the date of the determination of noncompliance to comply.

SECTION 84. IC 4-33-14-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 7. The commission shall establish and administer a unified certification procedure for minority and women's business enterprises that do business with riverboat operations **and pari-mutuel pull tab operations** on contracts for goods and services or contracts for business.

SECTION 85. IC 4-33-14-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 8. The commission shall supply persons holding owner's licenses ~~or~~ **pari-mutuel pull tab licenses** with a list of the minority and women's business enterprises the commission has certified under section 7 of this chapter. The commission shall review the list annually to determine the minority and women's business enterprises that should continue to be certified. The commission shall establish a procedure for challenging the designation of a certified minority and women's business enterprise. The procedure must include proper notice and a hearing for all parties concerned.

SECTION 86. IC 4-33-14-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 9. (a) This section applies to **the following**:

(1) A person holding an owner's licenses for riverboats operated from a city described under IC 4-33-6-1(a)(1) through IC 4-33-6-1(a)(3).

(2) **A person holding a license to sell pari-mutuel pull tabs under IC 4-31-7.5.**

(b) The commission shall require persons holding owner's licenses to adopt policies concerning the preferential hiring of residents of the city in which the riverboat docks for riverboat jobs.

(c) **The commission shall require a person holding a pari-mutuel pull tab license to adopt policies concerning the preferential hiring of residents of the city or county in which the person has a pari-mutuel pull tab operation.**

SECTION 87. IC 4-33-14-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 11. The commission shall deposit civil penalties imposed under section 6 of this chapter in the minority and women business participation fund established by section 12 of this chapter.**

SECTION 88. IC 4-33-14-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS

[EFFECTIVE JULY 1, 2002]: Sec. 12. (a) The minority and women business participation fund is established to assist minority and women business enterprises. The fund shall be administered by the commission. The fund consists of fees collected under section 13 of this chapter and civil penalties imposed under section 6 of this chapter.

(b) The Indiana department of administration may use fees collected under section 13 of this chapter to hire employees to administer this chapter. The commission may use other money in the fund for the purposes of this chapter.

(c) The expenses of administering the fund shall be paid from money in the fund.

(d) The treasurer of state shall invest money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the fund.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

SECTION 89. IC 4-33-14-13 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 13. The commission shall charge an annual fee of ten thousand dollars (\$10,000) upon the following:

- (1) Each licensed owner of a riverboat licensed under this article.
- (2) Each racetrack offering pari-mutuel pull tabs under IC 4-31-7.5.
- (3) Each satellite facility offering pari-mutuel pull tabs under IC 4-31-7.5.

The fees collected under this section must be deposited in the minority and women business participation fund.

SECTION 90. IC 4-33-16 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

#### **Chapter 16. Gambling Operations in a Historic District**

**Sec. 1.** This chapter applies only to a historic district described in IC 4-33-1-1(3) and established under IC 36-7-11-4.5.

**Sec. 2.** As used in this chapter, "district" refers to the historic district established under IC 36-7-11-4.5.

**Sec. 3.** As used in this chapter, "historic preservation commission" refers to the historic preservation commission established under IC 36-7-11-4.5.

**Sec. 4.** As used in this chapter, "operating expenses" means the following:

- (1) Money spent by the historic preservation commission in the exercise of the historic preservation commission's powers under this article, IC 36-7-11-23, and IC 36-7-11-24 as limited by section 5 of this chapter.
- (2) Management fees paid to the riverboat's licensed

operating agent.

**Sec. 5.** A riverboat authorized under this article for a historic district described in IC 4-33-1-1(3) must be located on real property located in the district between the two (2) historic resort hotels.

**Sec. 6.** The commission shall grant an owner's license to the historic preservation commission upon the fulfillment of the following requirements:

(1) Riverboat gaming is approved in a public question.

(2) The commission completes the investigations required under IC 4-33-6.

**Sec. 7.** The historic preservation commission shall contract with another person to operate a riverboat located in the district. The person must be a licensed operating agent under IC 4-33-6.5.

**Sec. 8.** The net income derived from the riverboat after the payment of all operating expenses shall be deposited in the community trust fund established by IC 36-7-11.4-4.

**Sec. 9.** After deducting any tax revenue received under IC 4-33-13 that:

(1) is expended by the historic preservation commission to carry out the historic preservation commission's duties and powers under this article, IC 36-7-11-3, and IC 36-7-11-24; or

(2) is pledged to bonds, leases, or other obligations under IC 5-1-14-4;

the historic preservation commission shall deposit the remaining tax revenue in the community trust fund established by IC 36-7-11.4-4.

**Sec. 10. (a)** As used in this section, "electronic gaming device" has the meaning set forth in 68 IAC 1-1-29.

**(b)** As used in this section, "live gaming device" has the meaning set forth in 68 IAC 1-1-59.

**(c)** The licensed owner of a riverboat located in the historic district may not install more than five hundred (500) electronic gaming devices on board the riverboat.

**(d)** This section does not limit the number of live gaming devices that the licensed owner may install on board the riverboat.

**SECTION 91.** IC 6-1.1-1-8.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 8.7. "Low income housing"** means real property that on an assessment date is used to obtain any of the following benefits:

(1) Low income housing credits under Section 42 of the Internal Revenue Code.

(2) Low interest loans for benefits from the United States Department of Agriculture Rural Housing Section 515 Program.

(3) Below market, federally insured, or governmental financing for housing, including tax exempt bonds under

Section 142 of the Internal Revenue Code for qualified residential rental projects.

(4) A low interest loan under Section 235 or 236 of the National Housing Act (12 U.S.C. 1715z or 12 U.S.C. 1715z-1) or 42 U.S.C. 1485.

(5) A government rent subsidy for housing.

(6) A government guaranteed loan for a housing project.

SECTION 92. IC 6-1.1-1-8.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 8.8. "Multifamily dwelling complex"** refers to one (1) or more adjacent tracts and the building or buildings on the tracts that each contain at least two (2) residential units and are under common management or control.

SECTION 93. IC 6-1.1-1-13.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 13.5. (a) "Principal rental dwelling"** refers to residential improvements to land that an individual with a leasehold interest in the property uses as the individual's principal place of residence, regardless of whether the individual is absent from the property while in a facility described in subsection (b).

(b) The term does not include any of the following:

(1) A hospital licensed under IC 16-21.

(2) A health facility licensed under IC 16-28.

(3) A residential facility described in IC 12-7-2-165.

(4) A Christian Science home or sanatorium.

(5) A group home licensed under IC 12-17.4 or IC 12-28-4.

(6) An establishment that serves as an emergency shelter for victims of domestic violence, homeless persons, or other similar purpose.

(7) A fraternity, sorority, or student cooperative housing organization described in IC 6-2.5-5-21.

SECTION 94. IC 6-1.1-3-22 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: **Sec. 22. (a)** Except to the extent that the rule specifically conflicts with a statute, tangible personal property subject to this chapter shall be assessed on the assessment dates in calendar years 2002 and thereafter in conformity with 50 IAC 4.2 (as in effect January 1, 2001).

(b) The publisher of the Indiana Administrative Code may continue to publish 50 IAC 4.2 (as in effect January 1, 2001) in the Indiana Administrative Code.

(c) 50 IAC 4.3 and any other rule to the extent that it conflicts with this section is void.

(d) A reference in 50 IAC 4.2 to a governmental entity that has been terminated or a statute that has been repealed or amended shall be treated as a reference to its successor.

(e) A taxpayer that filed a personal property tax return under



1 this chapter for the 2002 assessment date based on assessment of  
 2 the taxpayer's personal property in conformity with 50 IAC 4.3  
 3 shall file an amended personal property tax return that reflects the  
 4 assessment of that personal property in conformity with 50 IAC 4.2  
 5 as required by this section. Notwithstanding IC 6-1.1-3-7.5 or any  
 6 other law as to the due dates for filing amended personal property  
 7 tax returns, the department of local government finance shall  
 8 establish the due dates and prescribe the forms for the amended  
 9 returns required by this subsection. Notwithstanding IC 6-1.1-3-7.5  
 10 or any other law as to whether a taxpayer shall pay taxes based on  
 11 the assessed value reported on the taxpayer's original personal  
 12 property tax return or on the taxpayer's amended return, a  
 13 taxpayer that files an amended return under this subsection shall  
 14 pay taxes payable in 2003 based on the assessed value reported on  
 15 the amended return.

16 (f) The department of local government finance may adopt  
 17 emergency rules under IC 4-22-2-37.1 to implement this section.

18 SECTION 95. IC 6-1.1-4-32, AS AMENDED BY P.L.178-2002,  
 19 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 20 JULY 1, 2002]: Sec. 32. (a) As used in this section, "contract" refers to  
 21 a contract entered into under this section.

22 (b) As used in this section, "contractor" refers to a firm that enters  
 23 into a contract with the department of local government finance under  
 24 this section.

25 (c) As used in this section, "qualifying county" means a county  
 26 having a population of more than four hundred thousand (400,000) but  
 27 less than seven hundred thousand (700,000).

28 (d) Notwithstanding sections 15 and 17 of this chapter, a township  
 29 assessor in a qualifying county may not appraise property, or have  
 30 property appraised, for the general reassessment of real property to be  
 31 completed for the March 1, 2002, assessment date. Completion of that  
 32 general reassessment in a qualifying county is instead governed by this  
 33 section. The only duty of:

34 (1) a township assessor in a qualifying county; or

35 (2) a county assessor of a qualifying county;

36 with respect to that general reassessment is to provide to the  
 37 department of local government finance or the department's contractor  
 38 under subsection (e) any support and information requested by the  
 39 department or the contractor. This subsection expires June 30, 2004.

40 (e) The department of local government finance shall select and  
 41 contract with a certified public accounting firm with expertise in the  
 42 appraisal of real property to appraise property for the general  
 43 reassessment of real property in a qualifying county to be completed for  
 44 the March 1, 2002, assessment date. The department of local  
 45 government finance may enter into additional contracts to provide  
 46 software or other auxiliary services to be used for the appraisal of  
 47 property for the general reassessment. The contract applies for the

1 appraisal of land and improvements with respect to all classes of real  
 2 property in the qualifying county. The contract must include:

- 3 (1) a provision requiring the appraisal firm to:
  - 4 (A) prepare a detailed report of:
    - 5 (i) expenditures made after July 1, 1999, and before the date
    - 6 of the report from the qualifying county's reassessment fund
    - 7 under section 28 of this chapter (repealed); and
    - 8 (ii) the balance in the reassessment fund as of the date of the
    - 9 report; and
  - 10 (B) file the report with:
    - 11 (i) the legislative body of the qualifying county;
    - 12 (ii) the prosecuting attorney of the qualifying county;
    - 13 (iii) the department of local government finance; and
    - 14 (iv) the attorney general;
- 15 (2) a fixed date by which the appraisal firm must complete all
- 16 responsibilities under the contract;
- 17 (3) subject to subsection (t), a provision requiring the appraisal
- 18 firm to use the land values determined for the qualifying county
- 19 under section 13.6 of this chapter;
- 20 (4) a penalty clause under which the amount to be paid for
- 21 appraisal services is decreased for failure to complete specified
- 22 services within the specified time;
- 23 (5) a provision requiring the appraisal firm to make periodic
- 24 reports to the department of local government finance;
- 25 (6) a provision stipulating the manner in which, and the time
- 26 intervals at which, the periodic reports referred to in subdivision
- 27 (5) are to be made;
- 28 (7) a precise stipulation of what service or services are to be
- 29 provided;
- 30 (8) a provision requiring the appraisal firm to deliver a report of
- 31 the assessed value of each parcel in a township in the qualifying
- 32 county to the department of local government finance; and
- 33 (9) any other provisions required by the department of local
- 34 government finance.

35 After December 31, 2001, the department of local government finance  
 36 has all the powers and duties of the state board of tax commissioners  
 37 provided under a contract entered into under this subsection (as  
 38 effective before January 1, 2002) before January 1, 2002. The contract  
 39 is valid to the same extent as if it were entered into by the department  
 40 of local government finance. However, a reference in the contract to  
 41 the state board of tax commissioners shall be treated as a reference to  
 42 the department of local government finance. The contract shall be  
 43 treated for all purposes, including the application of IC 33-3-5-2.5, as  
 44 the contract of the department of local government finance. If the  
 45 department of local government finance terminates a contract before  
 46 completion of the work described in this subsection, the department  
 47 shall contract for completion of the work as promptly as possible under

1 IC 5-22-6. This subsection expires June 30, 2004.

2 (f) At least one (1) time each month, the contractors that will make  
 3 physical visits to the site of real property for reassessment purposes  
 4 shall publish a notice under IC 5-3-1 describing the areas that are  
 5 scheduled to be visited within the next thirty (30) days and explaining  
 6 the purposes of the visit. The notice shall be published in a way to  
 7 promote understanding of the purposes of the visit in the affected areas.  
 8 After receiving the report of assessed values from the appraisal firm  
 9 acting under a contract described in subsection (e), the department of  
 10 local government finance shall give notice to the taxpayer and the  
 11 county assessor, by mail, of the amount of the reassessment. The notice  
 12 of reassessment is subject to appeal by the taxpayer to the Indiana  
 13 board. The procedures and time limitations that apply to an appeal to  
 14 the Indiana board of a determination of the department of local  
 15 government finance apply to an appeal under this subsection. A  
 16 determination by the Indiana board of an appeal under this subsection  
 17 is subject to appeal to the tax court under IC 6-1.1-15. This subsection  
 18 expires on the later of June 30, 2004, or the date a final determination  
 19 is entered in the last pending appeal filed under this subsection.

20 (g) In order to obtain a review by the Indiana board under  
 21 subsection (f), the taxpayer must file a petition for review with the  
 22 appropriate county assessor within forty-five (45) days after the notice  
 23 of the department of local government finance is given to the taxpayer  
 24 under subsection (f). This subsection expires June 30, 2004.

25 (h) The department of local government finance shall mail the  
 26 notice required by subsection (f) within ninety (90) days after the  
 27 department receives the report for a parcel from the professional  
 28 appraisal firm. This subsection expires June 30, 2004.

29 (i) The qualifying county shall pay the cost of any contract under  
 30 this section which shall be without appropriation from the county  
 31 property reassessment fund. A contractor may periodically submit bills  
 32 for partial payment of work performed under a contract. However, the  
 33 maximum amount that the qualifying county is obligated to pay for all  
 34 contracts entered into under subsection (e) for the general reassessment  
 35 of real property in the qualifying county to be completed for the March  
 36 1, 2002, assessment date is twenty-five million five hundred thousand  
 37 dollars (\$25,500,000). Notwithstanding any other law, a contractor is  
 38 entitled to payment under this subsection for work performed under a  
 39 contract if the contractor:

40 (1) submits, in the form required by IC 5-11-10-1, a fully  
 41 itemized, certified bill for the costs under the contract of the work  
 42 performed to the department of local government finance for  
 43 review;

44 (2) obtains from the department of local government finance:

45 (A) approval of the form and amount of the bill; and

46 (B) a certification that the billed goods and services billed for  
 47 payment have been received and comply with the contract; and

1 (3) files with the county auditor of the qualifying county:

2 (A) a duplicate copy of the bill submitted to the department of  
3 local government finance;

4 (B) the proof of approval provided by the department of local  
5 government finance of the form and amount of the bill that  
6 was approved; and

7 (C) the certification provided by the department of local  
8 government finance that indicates that the goods and services  
9 billed for payment have been received and comply with the  
10 contract.

11 An approval and a certification under subdivision (2) shall be treated  
12 as conclusively resolving the merits of the claim. Upon receipt of the  
13 documentation described in subdivision (3), the county auditor shall  
14 immediately certify that the bill is true and correct without further  
15 audit, publish the claim as required by IC 36-2-6-3, and submit the  
16 claim to the county executive of the qualifying county. The county  
17 executive shall allow the claim, in full, as approved by the department  
18 of local government finance without further examination of the merits  
19 of the claim in a regular or special session that is held not less than  
20 three (3) days and not more than seven (7) days after completion of the  
21 publication requirements under IC 36-2-6-3. Upon allowance of the  
22 claim by the county executive, the county auditor shall immediately  
23 issue a warrant or check for the full amount of the claim approved by  
24 the department of local government finance. Compliance with this  
25 subsection shall be treated as compliance with section 28.5 of this  
26 chapter, IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination and  
27 payment of a claim in compliance with this subsection is not subject to  
28 remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9 do not apply  
29 to a claim under this subsection. IC 5-11-10-1.6(d) applies to a fiscal  
30 officer who pays a claim in compliance with this subsection. This  
31 subsection expires June 30, 2004.

32 (j) Notwithstanding IC 4-13-2, a period of seven (7) days is  
33 permitted for each of the following to review and act under IC 4-13-2  
34 on a contract of the department of local government finance under this  
35 section:

36 (1) The commissioner of the Indiana department of  
37 administration.

38 (2) The director of the budget agency.

39 (3) The attorney general.

40 (4) The governor.

41 (k) With respect to a general reassessment of real property to be  
42 completed under section 4 of this chapter for an assessment date after  
43 the March 1, 2002, assessment date, the department of local  
44 government finance shall initiate a review with respect to the real  
45 property in a qualifying county or a township in a qualifying county, or  
46 a portion of the real property in a qualifying county or a township in a  
47 qualifying county. The department of local government finance may

1 contract to have the review performed by an appraisal firm. The  
 2 department of local government finance or its contractor shall  
 3 determine for the real property under consideration and for the  
 4 qualifying county or township the variance between:

- 5 (1) the total assessed valuation of the real property within the
- 6 qualifying county or township; and
- 7 (2) the total assessed valuation that would result if the real
- 8 property within the qualifying county or township were valued in
- 9 the manner provided by law.

10 (l) If:

- 11 (1) the variance determined under subsection (k) exceeds ten
- 12 percent (10%); and
- 13 (2) the department of local government finance determines after
- 14 holding hearings on the matter that a special reassessment should
- 15 be conducted;

16 the department shall contract for a special reassessment by an appraisal  
 17 firm to correct the valuation of the property.

18 (m) If the variance determined under subsection (k) is ten percent  
 19 (10%) or less, the department of local government finance shall  
 20 determine whether to correct the valuation of the property under:

- 21 (1) sections 9 and 10 of this chapter; or
- 22 (2) IC 6-1.1-14-10 and IC 6-1.1-14-11.

23 (n) The department of local government finance shall give notice by  
 24 mail to a taxpayer of a hearing concerning the department's intent to  
 25 cause the taxpayer's property to be reassessed under this section. The  
 26 time fixed for the hearing must be at least ten (10) days after the day  
 27 the notice is mailed. The department of local government finance may  
 28 conduct a single hearing under this section with respect to multiple  
 29 properties. The notice must state:

- 30 (1) the time of the hearing;
- 31 (2) the location of the hearing; and
- 32 (3) that the purpose of the hearing is to hear taxpayers' comments
- 33 and objections with respect to the department of local government
- 34 finance's intent to reassess property under this chapter.

35 (o) If the department of local government finance determines after  
 36 the hearing that property should be reassessed under this section, the  
 37 department shall:

- 38 (1) cause the property to be reassessed under this section;
- 39 (2) mail a certified notice of its final determination to the county
- 40 auditor of the qualifying county in which the property is located;
- 41 and
- 42 (3) notify the taxpayer by mail of its final determination.

43 (p) A reassessment may be made under this section only if the  
 44 notice of the final determination under subsection (n) is given to the  
 45 taxpayer within the same period prescribed in IC 6-1.1-9-3 or  
 46 IC 6-1.1-9-4.

47 (q) If the department of local government finance contracts for a

special reassessment of property under this section, the qualifying county shall pay the bill, without appropriation, from the county property reassessment fund. A contractor may periodically submit bills for partial payment of work performed under a contract. Notwithstanding any other law, a contractor is entitled to payment under this subsection for work performed under a contract if the contractor:

- (1) submits, in the form required by IC 5-11-10-1, a fully itemized, certified bill for the costs under the contract of the work performed to the department of local government finance for review;
- (2) obtains from the department of local government finance:
  - (A) approval of the form and amount of the bill; and
  - (B) a certification that the billed goods and services billed for payment have been received and comply with the contract; and
- (3) files with the county auditor of the qualifying county:
  - (A) a duplicate copy of the bill submitted to the department of local government finance;
  - (B) the proof of approval provided by the department of local government finance of the form and amount of the bill that was approved; and
  - (C) the certification provided by the department of local government finance that indicates that the goods and services billed for payment have been received and comply with the contract.

An approval and a certification under subdivision (2) shall be treated as conclusively resolving the merits of the claim. Upon receipt of the documentation described in subdivision (3), the county auditor shall immediately certify that the bill is true and correct without further audit, publish the claim as required by IC 36-2-6-3, and submit the claim to the county executive of the qualifying county. The county executive shall allow the claim, in full, as approved by the department of local government finance without further examination of the merits of the claim in a regular or special session that is held not less than three (3) days and not more than seven (7) days after completion of the publication requirements under IC 36-2-6-3. Upon allowance of the claim by the county executive, the county auditor shall immediately issue a warrant or check for the full amount of the claim approved by the department of local government finance. Compliance with this subsection shall be treated as compliance with section 28.5 of this chapter, IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination and payment of a claim in compliance with this subsection is not subject to remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9 do not apply to a claim under this subsection. IC 5-11-10-1.6(d) applies to a fiscal officer who pays a claim in compliance with this subsection.

(r) A qualifying official (as defined in IC 33-3-5-2.5) shall provide information requested in writing by the department of local government

1 finance or the department's contractor under this section not later than  
 2 seven (7) days after receipt of the written request from the department  
 3 or the contractor. If a qualifying official (as defined in IC 33-3-5-2.5)  
 4 fails to provide the requested information within the time permitted in  
 5 this subsection, the department of local government finance or the  
 6 department's contractor may seek an order of the tax court under  
 7 IC 33-3-5-2.5 for production of the information.

8 (s) The provisions of this section are severable in the manner  
 9 provided in IC 1-1-1-8(b).

10 (t) A contract entered into under subsection (e) is subject to this  
 11 subsection. A contractor shall use the land values determined for the  
 12 qualifying county under section 13.6 of this chapter to the extent that  
 13 the contractor finds that the land values reflect the true tax value of  
 14 land, as determined under the statutes and the rules of the department  
 15 of local government finance. If the contractor finds that the land values  
 16 determined for the qualifying county under section 13.6 of this chapter  
 17 do not reflect the true tax value of land, the contractor shall determine  
 18 land values for the qualifying county that reflect the true tax value of  
 19 land, as determined under the statutes and the rules of the department  
 20 of local government finance. The land values determined by the  
 21 contractor shall be used to the same extent as if the land values had  
 22 been determined under section 13.6 of this chapter. The contractor  
 23 shall notify the county assessor and the township assessors in the  
 24 qualifying county of the land values as modified under this subsection.  
 25 This subsection expires June 30, 2004.

26 (u) A contractor acting under a contract under subsection (e) may  
 27 notify the department of local government finance if:

28 (1) the county auditor fails to:

29 (A) certify the bill;

30 (B) publish the claim;

31 (C) submit the claim to the county executive; or

32 (D) issue a warrant or check;

33 as required in subsection (i) at the first opportunity the county  
 34 auditor is legally permitted to do so;

35 (2) the county executive fails to allow the claim as required in  
 36 subsection (i) at the first opportunity the county executive is  
 37 legally permitted to do so; or

38 (3) a person or entity authorized to act on behalf of the county  
 39 takes or fails to take an action, including failure to request an  
 40 appropriation, and that action or failure to act delays or halts the  
 41 process under this section for payment of a bill submitted by a  
 42 contractor under subsection (i).

43 This subsection expires June 30, 2004.

44 (v) The department of local government finance, upon receiving  
 45 notice under subsection (u) from the contractor, shall:

46 (1) verify the accuracy of the contractor's assertion in the notice  
 47 that:

(A) a failure occurred as described in subsection (b)(1) or (b)(2); or

(B) a person or entity acted or failed to act as described in subsection (b)(3); and

(2) provide to the treasurer of state the department of local government finance's approval under subsection (i)(2)(A) of the bill with respect to which the contractor gave notice under subsection (u).

This subsection expires June 30, 2004.

(w) Upon receipt of the approval of the department of local government finance under subsection (v), the treasurer of state shall pay the contractor the amount of the bill approved by the department of local government finance from money in the possession of the state that would otherwise be available for distribution to the qualifying county, including distributions from the property tax replacement fund or distributions of admissions taxes or wagering taxes. This subsection expires June 30, 2004.

(x) The treasurer of state shall withhold from the part attributable to the county of the next distribution to the county treasurer under IC 4-33-12-6 (**before its repeal**), IC 4-33-13-5, IC 6-1.1-21-4(b), or another law the amount of any payment made by the treasurer of state to the contractor under subsection (w). Money shall be deducted first from money payable under IC 6-1.1-21.4(b) and then from all other funds payable to the qualifying county. This subsection expires June 30, 2004.

(y) Compliance with subsections (u) through (x) shall be treated as compliance with IC 5-11-10. This subsection expires June 30, 2004.

(z) IC 5-11-10-1.6(d) applies to the treasurer of state with respect to the payment made in compliance with subsections (u) through (x). This subsection and subsections (u) through (y) shall be interpreted liberally so that the state shall, to the extent legally valid, ensure that the contractual obligations of a county under this section are paid. Nothing in this subsection or subsections (u) through (y) shall be construed to create a debt of the state. This subsection expires June 30, 2004.

SECTION 96. IC 6-1.1-6.9 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

#### **Chapter 6.9. Rental and Cooperative Housing**

**Sec. 1. Notwithstanding any provision in the 2002 Real Property Assessment Manual and Real Property Assessment Guidelines for 2002-Version A, incorporated by reference in the rules of the department of local government finance, as codified at 50 IAC 2.3-1-2, a county property tax assessment board of appeals or the Indiana board shall consider all evidence relevant to the assessment of residential rental property regardless of whether the evidence was submitted to the township assessor before the assessment of the property.**



1       **Sec. 2. The true tax value of low income rental housing shall be**  
 2       **determined using the capitalization of income method of valuation.**

3       **Sec. 3. The value of any tax incentive credits or other**  
 4       **government subsidies, including below market financing, granted**  
 5       **for the construction, conversion, or use of property as low income**  
 6       **housing may not be considered in determining the true tax value of**  
 7       **the property regardless of whether the credits or other subsidies**  
 8       **are made available, directly or indirectly, to compensate the owner**  
 9       **for the rental of low income housing at a rate that is less than the**  
 10       **fair market rental rate for the property.**

11       **SECTION 97. IC 6-1.1-8-44 IS ADDED TO THE INDIANA CODE**  
 12       **AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**  
 13       **JANUARY 1, 2002 (RETROACTIVE)]: Sec. 44. (a) Except to the**  
 14       **extent that the rule specifically conflicts with a statute, tangible**  
 15       **personal property within the scope of 50 IAC 5.1 (as in effect on**  
 16       **January 1, 2001) shall be assessed on the assessment dates in**  
 17       **calendar years 2002 and thereafter in conformity with 50 IAC 5.1**  
 18       **(as in effect January 1, 2001).**

19       **(b) The publisher of the Indiana Administrative Code may**  
 20       **continue to publish 50 IAC 5.1 (as in effect January 1, 2001) in the**  
 21       **Indiana Administrative Code.**

22       **(c) 50 IAC 5.2 and any other rule to the extent it conflicts with**  
 23       **this section is void.**

24       **(d) A reference in 50 IAC 5.1 to a governmental entity that has**  
 25       **been terminated or a statute that has been repealed or amended**  
 26       **shall be treated as a reference to its successor.**

27       **(e) A public utility that filed a statement under section 19 or 23**  
 28       **of this chapter for the 2002 assessment date based on assessment**  
 29       **of the public utility's personal property in conformity with 50**  
 30       **IAC 5.2 shall file an amended statement that reflects the**  
 31       **assessment of that personal property in conformity with 50 IAC 5.1**  
 32       **as required by this section. Notwithstanding any other law as to the**  
 33       **due dates for statements filed under section 19 or 23 of this**  
 34       **chapter, the department of local government finance shall establish**  
 35       **the due dates and prescribe the forms for the amended statements**  
 36       **required by this subsection. Notwithstanding any other law as to**  
 37       **whether a public utility shall pay taxes based on the assessed value**  
 38       **reported on the public utility's original statement or on the public**  
 39       **utility's amended statement, a taxpayer that files an amended**  
 40       **statement under this subsection shall pay taxes payable in 2003**  
 41       **based on the assessed value reported on the amended statement.**

42       **(f) The department of local government finance may adopt**  
 43       **emergency rules under IC 4-22-2-37.1 to implement this section."**

44       Delete pages 12 through 16.

45       Page 17, delete lines 1 through 32.

46       Page 20, line 37, delete "thirty" and insert "**thirty-five**".

47       Page 20, line 37, delete "(\$30,000)" and insert "(\$**35,000**)".

48       Page 23, between lines 14 and 15, begin a new paragraph and insert:

"SECTION 102. IC 6-1.1-12-43 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: **Sec. 43. (a) This section applies to a multifamily dwelling complex for property taxes first due and payable after December 31, 2002.**

**(b) The owner of a multifamily dwelling complex is entitled to a deduction from the assessed value of the multifamily dwelling complex equal to:**

- (1) four thousand dollars (\$4,000); multiplied by**
- (2) the number of residential units in the multifamily dwelling complex.**

**(c) A certificate of occupancy that complies with this subsection is prima facie evidence that the real property is a multifamily dwelling complex. To comply with this subsection, the certificate of occupancy must:**

- (1) be prepared on a form prescribed by the department of local government finance;**
- (2) be signed under penalties of perjury by the owner of the multifamily dwelling complex or the principal officer of the entity owning the complex; and**
- (3) indicate that substantially all the units in the multifamily dwelling complex were used as principal rental dwellings on an assessment date or within two (2) years before the assessment date.**

**(d) To obtain the deduction under this section, the:**

- (1) owner of the multifamily dwelling complex; or**
- (2) principal officer for the cooperative, common interest community, or owner's association owning the multifamily dwelling complex;**

**must file a certified application in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is subject to assessment. The certified application must be filed before May 11 in the year containing the assessment date to which the application applies.**

**(e) If the owner of the multifamily dwelling complex is eligible to receive:**

- (1) a homestead credit for the multifamily dwelling complex under IC 6-1.1-20.9; or**
- (2) the standard deduction for the multifamily dwelling complex under section 37 of this chapter;**

**the owner may not claim the deduction provided under this section."**

Page 35, between lines 41 and 42, begin a new paragraph and insert:

"SECTION 103. IC 6-1.1-19-1.5, AS AMENDED BY P.L.90-2002, SECTION 173, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 1.5. (a) The following definitions apply throughout this section and IC 21-3-1.7:**

- (1) "Adjustment factor" means the adjustment factor determined**

by the department of local government finance for a school corporation under IC 6-1.1-34.

(2) "Adjusted target property tax rate" means:

(A) the school corporation's target general fund property tax rate determined under IC 21-3-1.7-6.8; multiplied by

(B) the school corporation's adjustment factor.

(3) "Previous year property tax rate" means the school corporation's previous year general fund property tax rate after the reductions cited in IC 21-3-1.7-5(1), IC 21-3-1.7-5(2), and IC 21-3-1.7-5(3).

(b) Except as otherwise provided in this chapter, a school corporation may not, for an ensuing calendar year, impose a general fund ad valorem property tax levy which exceeds the following:

STEP ONE: Determine the result of:

(A) the school corporation's adjusted target property tax rate; minus

(B) the school corporation's previous year property tax rate.

STEP TWO: Determine the result of:

(A) the school corporation's target general fund property tax rate determined under IC 21-3-1.7-6.8; multiplied by

(B) the quotient resulting from:

(i) the absolute value of the result of the school corporation's adjustment factor minus one (1); divided by

(ii) two (2).

STEP THREE: If the school corporation's adjusted target property tax rate:

(A) exceeds the school corporation's previous year property tax rate, perform the calculation under STEP FOUR and not under STEP FIVE;

(B) is less than the school corporation's previous year property tax rate, perform the calculation under STEP FIVE and not under STEP FOUR; or

(C) equals the school corporation's previous year property tax rate, determine the levy resulting from using the school corporation's adjusted target property tax rate and do not perform the calculation under STEP FOUR or STEP FIVE.

The school corporation's 2002 assessed valuation shall be used for purposes of determining the levy under clause (C) in 2002 and in 2003.

STEP FOUR: Determine the levy resulting from using the school corporation's previous year property tax rate after increasing the rate by the lesser of:

(A) the STEP ONE result; or

(B) the sum of:

(i) five cents (\$0.05); plus

(ii) if the school corporation's adjustment factor is more than one (1), the STEP TWO result.

The school corporation's 2002 assessed valuation shall be used for purposes of determining the levy under this STEP in 2002 and in 2003.

STEP FIVE: Determine the levy resulting from using the school corporation's previous year property tax rate after reducing the rate by the lesser of:

(A) the absolute value of the STEP ONE result; or

(B) the sum of:

(i) nine cents (\$0.09); plus

(ii) if the school corporation's adjustment factor is less than one (1), the STEP TWO result.

The school corporation's 2002 assessed valuation shall be used for purposes of determining the levy under this STEP in 2002 and in 2003.

STEP SIX: Determine the **lesser of the following:**

(A) **The** result of:

~~(A)~~ (i) the STEP THREE (C), STEP FOUR, or STEP FIVE result, whichever applies; plus

~~(B)~~ (ii) an amount equal to the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.

**(B) The school corporation's general fund levy in the immediately preceding calendar year multiplied by the greater of one (1) or a fraction, the numerator of which is the total assessed value for all taxing units in the immediately preceding calendar year (excluding any year in which a general reassessment takes effect) and the denominator is the total assessed value for all taxing units in the calendar year preceding the ensuing calendar year by two (2) (excluding any year in which a general reassessment takes effect).**

The maximum levy is to include the portion of any excessive levy and the levy for new facilities.

(c) For purposes of this section, "total assessed value", as adjusted under subsection (d), with respect to a school corporation means the total assessed value of all taxable property for ad valorem property taxes first due and payable during that year.

(d) The department of local government finance may adjust the total assessed value of a school corporation to eliminate the effects of appeals and settlements arising from a statewide general reassessment of real property.

(e) The department of local government finance shall annually establish an assessment ratio and adjustment factor for each school corporation to be used upon the review and recommendation of the budget committee. The information compiled, including background documentation, may not be used in a:

(1) review of an assessment under IC 6-1.1-8, IC 6-1.1-13, IC 6-1.1-14, or IC 6-1.1-15;

(2) petition for a correction of error under IC 6-1.1-15-12; or

(3) petition for refund under IC 6-1.1-26.

(f) All tax rates shall be computed by rounding the rate to the nearest one-hundredth of a cent (\$0.0001). All tax levies shall be computed by rounding the levy to the nearest dollar amount."

Page 36, line 33, delete "10%" and insert "**21%**".

Page 41, line 5, delete "One hundred percent (100%)" and insert "**Fifty percent (50%)**".

Page 41, line 8, delete "one" and insert "**fifty percent (50%)**".

Page 41, line 9, delete "hundred percent (100%)".

Page 41, line 13, delete "one" and insert "**fifty percent (50%)**".

Page 41, line 14, delete "hundred percent (100%)".

Page 41, line 26, delete "One hundred percent (100%)" and insert "**Fifty percent (50%)**".

Page 41, line 30, delete "one" and insert "**fifty percent (50%)**".

Page 41, line 31, delete "hundred percent (100%)".

Page 41, line 35, delete "one" and insert "**fifty percent (50%)**".

Page 41, line 36, delete "hundred percent (100%)".

Page 47, between lines 31 and 32, begin a new paragraph and insert:  
"SECTION 112. IC 6-1.1-21.2 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]:

#### **Chapter 21.2. Tax Increment Replacement**

##### **Sec. 1. This chapter applies to an allocation area in which:**

(1) the holders of obligations received a pledge before January 1, 2003, of tax increment revenues to pay any part of the obligations due after December 31, 2004; and

(2) a change in:

(A) the determination of the assessed value of tangible personal property resulting from a change in the rules governing the assessment of tangible personal property in effect on January 1, 2002 (50 IAC 5.1, 50 IAC 4.2); or

(B) a law enacted in the 2002 regular or special session of the general assembly;

causes the governing body to be unable to pay the obligations described in subdivision (1).

##### **Sec. 2. For purposes of this section, "additional credit" means:**

(1) for allocation areas created under IC 6-1.1-39, the additional credit described in IC 6-1.1-39-6(a);

(2) for allocation areas created under IC 8-22-3.5, the additional credit described in IC 8-22-3.5-10(a);

(3) for allocation areas created under IC 36-7-14, the additional credit described in IC 36-7-14-39.5(c);

(4) for allocation areas created under IC 36-7-14.5, the additional credit described in IC 36-7-14.5-12.5(d)(5);

(5) for allocation areas created under IC 36-7-15.1:

(A) the additional credit described in IC 36-7-15.1-26.5(e);

or

(B) the credit described in IC 36-7-15.1-35(d); or

(6) for allocation areas created under IC 36-7-30, the additional credit described in IC 36-7-30-25(b)(2)(E).

**Sec. 3.** As used in this chapter, "allocation area" refers to an area that is established under the authority of any of the following statutes and in which tax increment revenues are collected:

(1) IC 6-1.1-39.

(2) IC 8-22-3.5.

(3) IC 36-7-14.

(4) IC 36-7-14.5.

(5) IC 36-7-15.1.

(6) IC 36-7-30.

**Sec. 4.** As used in this chapter, "base assessed value" means the base assessed value as the term is defined in:

(1) IC 6-1.1-39-5(h);

(2) IC 8-22-3.5-9(a);

(3) IC 36-7-14-39(a);

(4) IC 36-7-14-39.3(c);

(5) IC 36-7-15.1-26(a);

(6) IC 36-7-15.1-26.2(c);

(7) IC 36-7-15.1-35(a);

(8) IC 36-7-15.1-53;

(9) IC 36-7-15.1-55(c);

(10) IC 36-7-30-25(a)(2); or

(11) IC 36-7-30-26(c).

**Sec. 5.** As used in this chapter, "department" refers to the department of local government finance.

**Sec. 6.** As used in this chapter, "governing body" means the following:

(1) For an allocation area created under IC 6-1.1-39, the fiscal body of the county (as defined in IC 36-1-2-6).

(2) For an allocation area created under IC 8-22-3.5, the commission (as defined in IC 8-22-3.5-2).

(3) For an allocation area created under IC 36-7-14, the redevelopment commission of the unit.

(4) For an allocation area created under IC 36-7-14.5, the authority created by the unit.

(5) For an allocation area created under IC 36-7-15.1, the metropolitan development commission of the consolidated city.

(6) For an allocation area created under IC 36-7-30, the military base reuse authority.

**Sec. 7.** As used in this chapter, "obligation" means an obligation to pay:

(1) the principal and interest on loans or bonds;

1           (2) lease rentals on leases; or  
 2           (3) any other contractual obligation;  
 3 payable from tax increment revenues. The term includes a  
 4 guarantee of payment from tax increment revenues if other  
 5 revenues are insufficient to make a payment.

6           Sec. 8. As used in this chapter, "property taxes" means:

7           (1) property taxes, as defined in:

- 8           (A) IC 6-1.1-39-5(g);
- 9           (B) IC 36-7-14-39(a);
- 10           (C) IC 36-7-14-39.3(c);
- 11           (D) IC 36-7-15.1-26(a);
- 12           (E) IC 36-7-15.1-26.2(c);
- 13           (F) IC 36-7-15.1-53(a);
- 14           (G) IC 36-7-15.1-55(c);
- 15           (H) IC 36-7-30-25(a)(3); or
- 16           (I) IC 36-7-30-26(c); or

17           (2) for allocation areas created under IC 8-22-3.5, the taxes  
 18 assessed on taxable tangible property in the allocation area.

19           Sec. 9. (a) The governing body may impose a special tax in a  
 20 year to pay amounts due on obligations of the governing body in  
 21 the immediately succeeding year. The governing body may levy the  
 22 special tax on all property in the taxing district or taxing districts  
 23 in which the allocation area is located. The special tax shall be  
 24 certified before September 2 of each year to the fiscal officer of the  
 25 taxing unit that designated the allocation area. The special tax shall  
 26 be estimated and entered upon the tax duplicates by the county  
 27 auditor and shall be collected and enforced by the county treasurer  
 28 in the same manner as state and county taxes are estimated,  
 29 entered, collected, and enforced.

30           (b) As the special tax is collected by the county treasurer, it shall  
 31 be transferred to the governing body that imposed the special tax  
 32 and shall be accumulated and kept in the special fund for the  
 33 allocation area and applied only for the purposes of this chapter.

34           (c) The governing body shall determine the special tax levy for  
 35 a year in the amount of the lesser of:

- 36           (1) the total payments due on the obligations of the governing  
 37 body in the year minus the amounts the governing body  
 38 estimates will be legally available to the governing body in the  
 39 year to make the payments; and
- 40           (2) except as provided in subsection (d), the amount that will  
 41 result from the imposition of a rate for the special tax levy  
 42 that the county auditor estimates will cause the total tax rate  
 43 in the taxing district in which the allocation area is located to  
 44 be one hundred ten percent (110%) of the rate that would  
 45 apply if the rate for the special tax levy were not imposed for  
 46 the year.

47           (d) If the allocation area is located in more than one (1) taxing  
 48 district, the special tax levy amount determined under subsection

(c)(2) shall be based on the taxing district that will, without consideration of the rate for the special tax levy, have the highest tax rate in the year in which the special tax levy is payable.

(e) In estimating the amount legally available under subsection (c)(1), the governing body shall not consider the remedies referred to in section 10(b)(5) of this chapter.

**Sec. 10. (a) Before October 2 in a year, a governing body that has:**

(1) imposed a special tax levy under section 9 of this chapter payable in the immediately succeeding year to raise revenue to pay amounts due on obligations of the governing body in the immediately succeeding year; and

(2) investigated its ability to employ all remedies available under the agreements establishing obligations of the governing body to provide sufficient funds to pay amounts due on the obligations in the immediately succeeding year, including guarantees by a unit to apply revenues received under IC 6-3.5 or other sources toward the payment of the obligations;

may appeal to the department for emergency relief under this chapter to provide sufficient additional funds to pay amounts due on the obligations in the immediately succeeding year.

(b) In the petition under this section, the governing body must state sufficient facts to demonstrate the following:

(1) The petitioner is a governing body.

(2) The petitioner established an allocation area before January 1, 2002.

(3) The holders of obligations payable from tax increment revenues from the allocation area received a pledge before January 1, 2003, of tax increment revenues to pay any part of the obligations due after December 31, 2002.

(4) A change in the determination of the assessed value of tangible personal property resulting from a change in the rules governing the assessment of tangible personal property in effect on January 1, 2001 (50 IAC 5.1, 50 IAC 4.2) causes the governing body to be unable to pay amounts due on the obligations of the governing body in the immediately succeeding year.

(5) The governing body has investigated its ability to employ all remedies available under the agreements establishing the obligations of the governing body to provide sufficient funds to pay amounts due on the obligations in the immediately succeeding year, including guarantees by a unit to apply revenues received under IC 6-3.5 or other sources toward the payment of the obligations.

(6) The governing body has investigated the availability of all funds legally available to the governing body for the payment of amounts due on the obligations of the governing body in the



1 immediately succeeding year, including funds derived from  
 2 the denial of all or a part of an additional credit to taxpayers  
 3 in the allocation area.

4 (7) The governing body has reasonably determined that  
 5 refinancing one (1) or more of the obligations of the governing  
 6 body is not an economically feasible means of providing  
 7 sufficient funds to pay amounts due on the obligations in the  
 8 immediately succeeding year.

9 (8) The governing body has made reasonable efforts to limit  
 10 its use of the special fund for the allocation area to  
 11 appropriations for payments of amounts due on obligations of  
 12 the governing body.

13 (9) The balance in the special fund for the allocation area in  
 14 the immediately succeeding year will be insufficient to pay  
 15 amounts due on the obligations of the governing body in that  
 16 year.

17 (10) A property taxpayer located in any part in the allocation  
 18 area was not the original purchaser and does not own any of  
 19 the obligations of the governing body or rights to payment of  
 20 any of the obligations.

21 (11) The governing body is unable to provide sufficient funds  
 22 to pay amounts due on the obligations of the governing body  
 23 in the immediately succeeding year.

24 (12) A copy of the petition has been served on the executive of  
 25 each taxing unit in which any part of the allocation area is  
 26 located.

27 (13) The governing body at the time of issuance of the  
 28 obligations:

29 (A) reasonably estimated that the revenue legally available  
 30 to pay the obligations would be adequate to pay the  
 31 obligations over the term of the obligations; and

32 (B) pledged as additional security for the payment of the  
 33 obligations a reasonable amount of coverage of revenue  
 34 legally available in excess of the amount necessary to pay  
 35 the obligations.

36 (14) The number of subsequent years the governing body  
 37 estimates it will appeal under this section.

38 Sec. 11. The department shall conduct a hearing on the petition  
 39 in the county where the allocation area is located. At the hearing,  
 40 the petitioner and any other person may submit any information  
 41 relevant to the determination of the issues raised in the petition.

42 Sec. 12. (a) If, after the hearing and upon consideration of all of  
 43 the factors referred to in section 10(b) of this chapter, the  
 44 department determines that the requirements of this chapter have  
 45 been met, the department may order any of the emergency relief  
 46 described in section 13 of this chapter for a period not to exceed the  
 47 immediately succeeding five (5) years. An award of relief shall not  
 48 preclude a governing body from petitioning the department for

1 additional relief under this chapter after the expiration of the  
2 initial period for which relief was granted.

3 (b) A recipient of relief under this chapter shall provide  
4 certification to the department on an annual basis that certifies the  
5 continued existence of each of the factors listed in section 10(b) of  
6 this chapter.

7 (c) The amount of emergency relief ordered under this section  
8 may not exceed:

9 (1) the amount the governing body is obligated to pay on  
10 obligations during the years for which relief is requested;  
11 minus

12 (2) the sum of:

13 (A) the amount, if any, of the special tax levy under section  
14 9 of this chapter payable in the years for which relief is  
15 requested; and

16 (B) the amount of the remedies available to the governing  
17 body under the agreements establishing obligations of the  
18 governing body.

19 **Sec. 13. The department may adjust the base assessed value in**  
20 **the allocation area."**

21 Page 52, between lines 38 and 39, begin a new line block indented  
22 and insert:

23 "(3) A subsidiary of a holding company (as defined in  
24 IC 6-5.5-1-17) or regulated financial corporation (as defined  
25 in IC 6-5.5-1-17).

26 (4) Any other corporation organized under the laws of the  
27 United States, this state, another taxing jurisdiction, or a  
28 foreign government that is carrying on the business of a  
29 financial institution (as defined in IC 6-5.5-1-17)."

30 Page 53, between lines 8 and 9, begin a new paragraph and insert:

31 **"Sec. 10. An entity whose sole business activity in Indiana is as**  
32 **a lessor or lessee in a qualified lease (as defined in**  
33 **IC 6-2.1-3-16.5(f) (before its repeal)) is exempt from this article."**

34 Page 85, line 33, reset in roman "four-tenths".

35 Page 85, line 33, delete "nine-tenths".

36 Page 85, line 33, reset in roman "(3.4%)".

37 Page 85, line 33, delete "(3.9%)".

38 Page 101, line 39, after "every" insert **"permit holder (as defined**  
39 **in IC 4-31-2-14) making a payment in the course of the permit**  
40 **holder's satellite facility operation and every"**.

41 Page 102, line 2, after "from" insert **"an individual jackpot**  
42 **resulting from"**.

43 Page 102, line 3, after "play" insert **"or from pari-mutuel pull tab**  
44 **play"**.

45 Page 102, line 10, delete "following the day the winnings are paid,".

46 Page 102, line 11, delete "actually or constructively." and insert **"on**  
47 **the first Monday of each month."**

Page 102, line 15, after "." insert "**Pari-mutuel pull tab winnings valued at one thousand two hundred dollars (\$1,200) or more are subject to withholding under this section even if the winnings are not reportable or subject to withholding for federal income tax purposes.**".

Page 105, line 38, strike "Notwithstanding the other provisions of this".

Page 105, strike line 39.

Page 105, line 40, strike "research expense incurred after December 31,".

Page 105, line 40, delete "2004.".

Page 116, between lines 35 and 36, begin a new paragraph and insert:

"SECTION 183. IC 6-3.1-20-7, AS AMENDED BY P.L.178-2002, SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 7. (a) The department shall before July 1 of each year determine the amount of credits allowed under this chapter for taxable years ending before January 1 of the year.

(b) One-half (½) of the amount determined by the department under subsection (a) shall be:

(1) deducted during the year from the riverboat ~~admissions~~ **wagering** tax revenue otherwise payable to the county under ~~IC 4-33-12-6(d)(2);~~ **IC 4-33-13-5(a)(1)(A);** and

(2) paid instead to the state general fund.

(c) One-sixth (1/6) of the amount determined by the department under subsection (a) shall be:

(1) deducted during the year from the riverboat ~~admissions~~ **wagering** tax revenue otherwise payable under ~~IC 4-33-12-6(d)(1)~~ **IC 4-33-13-5(a)(1)(C)** to each of the following:

(A) The largest city by population located in the county.

(B) The second largest city by population located in the county.

(C) The third largest city by population located in the county; and

(2) paid instead to the state general fund.".

Page 116, line 41, before "percent" delete "four" and insert "**eight**".

Page 116, line 42, delete "(4%)" and insert "**(8%)**".

Page 117, delete lines 20 through 23.

Page 118, delete lines 11 through 42.

Delete pages 119 through 120.

Page 121, delete lines 1 through 26, begin a new paragraph and insert:

"SECTION 189. IC 6-3.1-25 IS ADDED TO THE INDIANA AS A **NEW CHAPTER** TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]:

**Chapter 25. Credit for Property Taxes Paid on Agricultural**

## **Property**

**Sec. 1.** As used in this chapter, "agricultural property" means depreciable personal property used or held on a farm in connection with cultivating the soil or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, or management of livestock, bees, poultry, or furbearing animals and wildlife.

**Sec. 2.** As used in this chapter, "assessed value" has the meaning set forth in IC 6-1.1-1-3.

**Sec. 3.** As used in this chapter, "net ad valorem property taxes" means the amount of property taxes paid by a taxpayer for a particular calendar year after the application of all property tax deductions and property tax credits, allowed or allowable.

**Sec. 4.** As used in this chapter, "pass through entity" means:

- (1) a corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);
- (2) a partnership;
- (3) a trust;
- (4) a limited liability company; or
- (5) a limited liability partnership.

**Sec. 5.** As used in this chapter, "state tax liability" means a taxpayer's total tax liability that is incurred under:

- (1) the business supplemental tax (IC 6-2.2);
- (2) IC 6-3-1 through IC 6-3-7 (adjusted gross income tax);
- (3) IC 6-5.5 (financial institutions tax); and
- (4) IC 27-1-18-2 (insurance premiums tax);

as computed after the application of the credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

**Sec. 6.** As used in this chapter, "taxpayer" means an individual or entity that has state tax liability.

**Sec. 7.** Beginning with net ad valorem property taxes first due and payable in calendar year 2003, a taxpayer is entitled to a credit against the taxpayer's state tax liability for a taxable year for one hundred percent (100%) of the net ad valorem property taxes paid by the taxpayer in the taxable year on the assessed value of agricultural property.

**Sec. 8.** If the amount of the credit determined under section 7 of this chapter for a taxpayer in a taxable year exceeds the taxpayer's state tax liability for that taxable year, the taxpayer may carry the excess over to the following taxable years. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this chapter for any subsequent taxable year. A taxpayer is not entitled to a carryback. A taxpayer is not entitled to a refund of an unused credit.

**Sec. 9.** If a pass through entity does not have state income tax liability against which the tax credit may be applied, a shareholder

or partner of the pass through entity is entitled to a tax credit equal to:

- (1) the tax credit determined for the pass through entity for the taxable year; multiplied by
- (2) the percentage of the pass through entity's distributive income to which the shareholder or partner is entitled.

**Sec. 10.** To receive the credit provided by this chapter, a taxpayer must claim the credit on the taxpayer's state tax return or returns in the manner prescribed by the department. The taxpayer shall submit to the department proof of payment of an ad valorem property tax and all information that the department determines is necessary for the calculation of the credit provided by this chapter.

SECTION 190. IC 6-3.1-26 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]:

#### **Chapter 26. Headquarters Relocation Tax Credit**

**Sec. 1.** As used in this chapter, "corporate headquarters" means the building or buildings where:

- (1) the principal offices of the principal executive officers of an eligible business are located; and
- (2) at least two hundred fifty (250) employees are employed.

**Sec. 2.** As used in this chapter, "eligible business" means a business that:

- (1) is engaged in either interstate or intrastate commerce;
- (2) maintains a corporate headquarters in a state other than Indiana as of January 1, 2004;
- (3) had annual worldwide revenues of at least twenty-five billion dollars (\$25,000,000,000) for the year immediately preceding the business's application for a tax credit under section 12 of this chapter; and
- (4) is prepared to commit contractually to relocating its corporate headquarters to Indiana.

**Sec. 3.** As used in this chapter, "pass through entity" means:

- (1) a corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);
- (2) a partnership;
- (3) a limited liability company; or
- (4) a limited liability partnership.

**Sec. 4.** As used in this chapter, "qualifying project" means the relocation of the corporate headquarters of an eligible business from a location outside Indiana to a location in Indiana.

**Sec. 5.** As used in this chapter, "relocation costs" means the reasonable and necessary expenses incurred by an eligible business for a qualifying project. The term includes:

- (1) moving costs and related expenses;
- (2) the purchase of new or replacement equipment;
- (3) capital investment costs; and

- (4) property assembly and development costs, including:
  - (A) the purchase, lease, or construction of buildings and land;
  - (B) infrastructure improvements; and
  - (C) site development costs.

The term does not include any costs that do not directly result from the relocation of the business to a location in Indiana.

**Sec. 6.** As used in this chapter, "state tax liability" means a taxpayer's total tax liability that is incurred under:

- (1) IC 6-2.1 (the gross income tax);
- (2) IC 6-2.5 (state gross retail and use tax);
- (3) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);
- (4) IC 6-5.5 (the financial institutions tax); and
- (5) IC 27-1-18-2 (the insurance premiums tax);

as computed after the application of the credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

**Sec. 7.** As used in this chapter, "taxpayer" means an individual or entity that has any state tax liability.

**Sec. 8.** A taxpayer that:

- (1) is an eligible business;
- (2) completes a qualifying project; and
- (3) incurs relocation costs;

is entitled to a credit against the person's state tax liability for the taxable year in which the relocation costs are incurred. The credit allowed under this section is equal to the amount determined under section 9 of this chapter.

**Sec. 9.** (a) Subject to subsection (b), the amount of the credit to which a taxpayer is entitled under section 8 of this chapter equals the product of:

- (1) fifty percent (50%); multiplied by
- (2) the amount of the taxpayer's relocation costs in the taxable year.

(b) The credit to which a taxpayer is entitled under section 8 of this chapter may not reduce the taxpayer's state tax liability below the amount of the taxpayer's state tax liability in the taxable year immediately preceding the taxable year in which the taxpayer first incurred relocation costs.

**Sec. 10.** If a pass through entity is entitled to a credit under section 8 of this chapter but does not have state tax liability against which the tax credit may be applied, a shareholder, partner, or member of the pass through entity is entitled to a tax credit equal to:

- (1) the tax credit determined for the pass through entity for the taxable year; multiplied by
- (2) the percentage of the pass through entity's distributive income to which the shareholder, partner, or member is entitled.

1       **Sec. 11. The total value of a tax credit under this chapter shall**  
 2       **be divided equally over ten (10) years, beginning with the year in**  
 3       **which the credit is granted. If the amount of credit provided under**  
 4       **this chapter for a taxpayer in a taxable year exceeds the taxpayer's**  
 5       **state tax liability for that taxable year, the taxpayer may carry the**  
 6       **excess over to subsequent taxable years. The amount of the credit**  
 7       **carryover from a taxable year shall be reduced to the extent that**  
 8       **the carryover is used by the taxpayer to obtain a credit under this**  
 9       **chapter for any subsequent taxable year.**

10       **Sec. 12. To receive the credit provided by this chapter, a**  
 11       **taxpayer must claim the credit on the taxpayer's state tax return**  
 12       **or returns in the manner prescribed by the department. The**  
 13       **taxpayer shall submit to the department proof of the taxpayer's**  
 14       **relocation costs and all information that the department**  
 15       **determines is necessary for the calculation of the credit provided**  
 16       **by this chapter.**

17       **Sec. 13. In determining whether an expense of the eligible**  
 18       **business directly resulted from the relocation of the business, the**  
 19       **department shall consider whether the expense would likely have**  
 20       **been incurred by the eligible business if the business had not**  
 21       **relocated from its original location."**

22       Page 144, line 15, after "only" insert "**the pari-mutuel pull tab**  
 23       **wagering tax (IC 4-31-7.6-3);**".

24       Page 144, line 17, after "(IC 4-33-12)" insert "**(repealed)**".

25       Page 148, between lines 38 and 39, begin a new paragraph and  
 26       insert:

27       "SECTION 214. IC 8-18-8-5 IS AMENDED TO READ AS  
 28       FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 5. (a) Except as  
 29       provided in subsection (c), all expenses incurred in the maintenance of  
 30       county highways shall be paid out of funds from the gasoline tax,  
 31       special fuel tax, and the motor vehicle registration fees that are paid to  
 32       the counties by the state, and from funds derived from the:

- 33       (1) county motor vehicle excise surtax;
- 34       (2) county wheel tax;
- 35       (3) county adjusted gross income tax;
- 36       (4) county option income tax; **or**
- 37       ~~(5) riverboat admission tax (IC 4-33-12);~~ **or**
- 38       ~~(6)~~ **(5) riverboat wagering tax (IC 4-33-13).**

39       (b) Except as provided in subsection (c), no ad valorem property tax  
 40       may be levied by any county for the maintenance of county highways,  
 41       except in an emergency and by unanimous vote of the county fiscal  
 42       body.

43       (c) The county fiscal body may appropriate money from the county  
 44       general fund to the county highway department to pay for employees'  
 45       personal services."

46       Page 157, between lines 9 and 10, begin a new paragraph and insert:  
 47       "SECTION 222. IC 12-24-1-3, AS AMENDED BY P.L.215-2001,

SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: Sec. 3. (a) The director of the division of mental health and addiction has administrative control of and responsibility for the following state institutions:

- (1) Central State Hospital.
- (2) Evansville State Hospital.
- (3) Evansville State Psychiatric Treatment Center for Children.
- (4) Larue D. Carter Memorial Hospital.
- (5) Logansport State Hospital.
- (6) Madison State Hospital.
- (7) Richmond State Hospital.
- (8) Any other state owned or operated mental health institution.

(b) Subject to the approval of the director of the budget agency and the governor, the director of the division of mental health and addiction may contract for the management and clinical operation of Larue D. Carter Memorial Hospital.

**(c) The following apply to the Evansville State Psychiatric Treatment Center for Children:**

**(1) Notwithstanding any other statute or policy, the division of mental health and addiction may not do the following after December 31, 2001, unless specifically authorized by a statute enacted by the general assembly:**

**(A) Terminate, in whole or in part, normal patient care or other operations at the facility.**

**(B) Reduce the staffing levels and classifications below those in effect at the facility on January 1, 2002.**

**(C) Terminate the employment of an employee of the facility except for cause in accordance with IC 4-15-2.**

**(2) The division of mental health and addiction shall fill a vacancy created by a termination described in subdivision (1)(C) so that the staffing levels at the facility are not reduced below the staffing levels in effect on January 1, 2002.**

**(3) Notwithstanding any other statute or policy, the division of mental health and addiction may not remove, transfer, or discharge any patient at the facility unless the removal, transfer, or discharge is in the patient's best interest.**

SECTION 223. IC 12-23-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2. The addiction services fund is established for the deposit of excise taxes on alcoholic beverages as described in IC 7.1-4-11 and ~~taxes on riverboat admissions wagering taxes under IC 4-33-12-6.~~ **IC 4-33-13-5(a)(2)(B).**

SECTION 224. IC 12-23-2-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 5. The general assembly shall appropriate money from the addiction services fund solely for the purpose of funding programs:

- (1) that provide prevention services and intervention and



1 treatment services for individuals who are psychologically or  
 2 physiologically dependent upon alcohol or other drugs; and

3 (2) for the prevention and treatment of gambling problems.

4 Programs funded by the addiction services fund must include the  
 5 creation and maintenance of a toll free telephone line under  
 6 ~~IC 4-33-12-6(f)(3)~~; **IC 4-33-13-5(d)** to provide the public with  
 7 information about programs that provide help with gambling, alcohol,  
 8 and drug addiction problems.

9 **SECTION 225. IC 12-23-2-7 IS AMENDED TO READ AS**  
 10 **FOLLOWS [EFFECTIVE JULY 1, 2002]:** Sec. 7. For each state fiscal  
 11 year, the division may not spend more than an amount equal to five  
 12 percent (5%) of the total amount received by the division from the fund  
 13 established under section 2 of this chapter for the administrative costs  
 14 associated with the use of money received from the fund. The division  
 15 shall allocate at least twenty-five percent (25%) of the funds derived  
 16 from the riverboat ~~admissions~~ **wagering** tax under ~~IC 4-33-12-6~~  
 17 **IC 4-33-13-5(a)(2)(B)** to the prevention and treatment of compulsive  
 18 gambling.

19 **SECTION 226. IC 12-24-2-9 IS ADDED TO THE INDIANA**  
 20 **CODE AS A NEW SECTION TO READ AS FOLLOWS**  
 21 **[EFFECTIVE UPON PASSAGE]:** **Sec. 9. Notwithstanding any other**  
 22 **law, an individual shall be admitted to the Evansville State**  
 23 **Psychiatric Treatment Center for Children if the decision to admit**  
 24 **the individual is approved by:**

25 (1) the individual's gatekeeper; and

26 (2) the Evansville State Psychiatric Treatment Center for  
 27 Children's admission committee, which must consist of at  
 28 least the following individuals:

29 (A) The superintendent.

30 (B) The medical director.

31 (C) The clinical director.

32 (D) The director of nursing."

33 Page 159, between lines 8 and 9, begin a new paragraph and insert:  
 34 "SECTION 240. IC 20-5-6-9, AS ADDED BY P.L.17-2000,  
 35 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 36 JULY 1, 2002]: Sec. 9. (a) As used in this section, "public school  
 37 endowment corporation" means a corporation that is:

38 (1) organized under the Indiana Nonprofit Corporation Act of  
 39 1991 (IC 23-17);

40 (2) organized exclusively for educational, charitable, and  
 41 scientific purposes; and

42 (3) formed for the purpose of providing educational resources to:

43 (A) a particular school corporation or school corporations; or

44 (B) the schools in a particular geographic area.

45 (b) As used in this section, "proceeds from riverboat gaming" means  
 46 tax revenue received by a political subdivision under IC 4-33-12-6  
 47 **(before its repeal)**, IC 4-33-13, or an agreement to share a city's or

1 county's part of the tax revenue.

2 (c) As used in this section, "political subdivision" has the meaning  
3 set forth in IC 36-1-2-13.

4 (d) A political subdivision may donate proceeds from riverboat  
5 gaming to a public school endowment corporation under the following  
6 conditions:

7 (1) The public school endowment corporation retains all rights to  
8 the donation, including investment powers.

9 (2) The public school endowment corporation agrees to return the  
10 donation to the political subdivision if the corporation:

11 (A) loses the corporation's status as a public charitable  
12 organization;

13 (B) is liquidated; or

14 (C) violates any condition of the endowment set by the fiscal  
15 body of the political subdivision.

16 (e) A public school endowment corporation may distribute both  
17 principal and income.

18 SECTION 241. IC 20-5-6-10, AS ADDED BY P.L.45-2002,  
19 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
20 JULY 1, 2002]: Sec. 10. (a) The governing body of a school  
21 corporation may donate the proceeds of a grant, a gift, a donation, an  
22 endowment, a bequest, a trust, or an agreement to share tax revenue  
23 received by a city or county under IC 4-33-12-6 (**before its repeal**) or  
24 IC 4-33-13, or other funds not generated from taxes levied by the  
25 school corporation, to a foundation under the following conditions:

26 (1) The foundation is a charitable nonprofit community  
27 foundation.

28 (2) The foundation retains all rights to the donation, including  
29 investment powers, except as provided in subdivision (3).

30 (3) The foundation agrees to do the following:

31 (A) Hold the donation as a permanent endowment.

32 (B) Distribute the income from the donation only to the school  
33 corporation as directed by resolution of the governing body of  
34 the school corporation.

35 (C) Return the donation to the general fund of the school  
36 corporation if the foundation:

37 (i) loses the foundation's status as a public charitable  
38 organization;

39 (ii) is liquidated; or

40 (iii) violates any condition of the endowment set by the  
41 governing body of the school corporation.

42 (b) A school corporation may use income received under this  
43 section from a community foundation only for purposes of the school  
44 corporation."

45 Page 173, between lines 9 and 10, begin a new paragraph and insert:  
46 "SECTION 250. IC 34-24-3-1 IS AMENDED TO READ AS  
47 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. (a) If a person

suffers a pecuniary loss as a result of a violation of IC 35-43, IC 35-42-3-3, IC 35-42-3-4, or IC 35-45-9, the person may bring a civil action against the person who caused the loss for the following:

(1) **Except as provided in subsection (b)**, an amount not to exceed three (3) times the actual damages of the person suffering the loss.

(2) The costs of the action.

(3) A reasonable attorney's fee.

(4) Actual travel expenses that are not otherwise reimbursed under subdivisions (1) through (3) and are incurred by the person suffering loss to:

(A) have the person suffering loss or an employee or agent of that person file papers and attend court proceedings related to the recovery of a judgment under this chapter; or

(B) provide witnesses to testify in court proceedings related to the recovery of a judgment under this chapter.

(5) A reasonable amount to compensate the person suffering loss for time used to:

(A) file papers and attend court proceedings related to the recovery of a judgment under this chapter; or

(B) travel to and from activities described in clause (A).

(6) Actual direct and indirect expenses incurred by the person suffering loss to compensate employees and agents for time used to:

(A) file papers and attend court proceedings related to the recovery of a judgment under this chapter; or

(B) travel to and from activities described in clause (A).

(7) All other reasonable costs of collection.

**(b) The owner of a riverboat licensed under IC 4-33 or the owner's assignee who suffers a pecuniary loss as the result of a violation of IC 35-43-5-5 is entitled to the actual damages resulting from the violation. In addition, the owner or the owner's assignee is entitled to the amounts described in subsection (a)(2) through (a)(7).**

SECTION 251. IC 35-45-5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 4. (a) Except as provided in subsection (b), a person who:

(1) knowingly or intentionally owns, manufactures, possesses, buys, sells, rents, leases, repairs, or transports a gambling device, or offers or solicits an interest in a gambling device;

(2) before a race, game, contest, or event on which gambling may be conducted, knowingly or intentionally transmits or receives gambling information by any means, or knowingly or intentionally installs or maintains equipment for the transmission or receipt of gambling information; or

(3) having control over the use of a place, knowingly or intentionally permits another person to use the place for

professional gambling;  
 commits promoting professional gambling, a Class D felony.

(b) Subsection (a)(1) does not apply to a boat manufacturer who:

- (1) transports or possesses a gambling device solely for the purpose of installing that device in a boat that is to be sold and transported to a buyer; and
- (2) does not display the gambling device to the general public or make the device available for use in Indiana.

(c) When a public utility is notified by a law enforcement agency acting within its jurisdiction that any service, facility, or equipment furnished by it is being used or will be used to violate this section, it shall discontinue or refuse to furnish that service, facility, or equipment, and no damages, penalty, or forfeiture, civil or criminal, may be found against a public utility for an act done in compliance with such a notice. This subsection does not prejudice the right of a person affected by it to secure an appropriate determination, as otherwise provided by law, that the service, facility, or equipment should not be discontinued or refused, or should be restored.

**(d) Subsection (a)(1) does not apply to a person who:**

- (1) possesses an antique slot machine;**
- (2) restricts display and use of the antique slot machine to the person's private residence; and**
- (3) does not use the antique slot machine for profit.**

**(e) As used in this section, "antique slot machine" refers to a slot machine that is:**

- (1) at least forty (40) years old; and**
- (2) possessed and used for decorative, historic, or nostalgic purposes.**

SECTION 252. IC 35-45-5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 7. This chapter does not apply to the publication or broadcast of an advertisement, a list of prizes, or other information concerning:

- (1) pari-mutuel wagering on horse races or a lottery authorized by the law of any state; ~~or~~
- (2) a game of chance operated in accordance with IC 4-32; **or**
- (3) a pari-mutuel pull tab game operated in accordance with IC 4-31-7.5.**

SECTION 253. IC 35-45-5-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 11. This chapter does not apply to the sale of pari-mutuel pull tab tickets authorized by IC 4-31-7.5.**

SECTION 254. IC 36-1-8-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 9. (a) Each unit that receives tax revenue under IC 4-33-12-6 (**before its repeal**), IC 4-33-13, or an agreement to share a city's or county's part of the tax revenue may establish a riverboat fund. Money in the fund may be used for any legal or corporate purpose of the unit.

(b) The riverboat fund established under subsection (a) shall be administered by the unit's treasurer, and the expenses of administering the fund shall be paid from money in the fund. Money in the fund not currently needed to meet the obligations of the fund may be invested in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund. Money in the fund at the end of a particular fiscal year does not revert to the unit's general fund.

SECTION 255. IC 36-1-14-1, AS AMENDED BY P.L.17-2000, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. (a) This section does not apply to donations of proceeds from riverboat gaming to a public school endowment corporation under IC 20-5-6-9.

(b) As used in this section, "riverboat gaming revenue" means tax revenue received by a unit under IC 4-33-12-6 (**before its repeal**), IC 4-33-13, or an agreement to share a city's or county's part of the tax revenue.

(c) Notwithstanding IC 8-1.5-2-6(d), a unit may donate the proceeds from the sale of a utility or facility or from a grant, a gift, a donation, an endowment, a bequest, a trust, or riverboat gaming revenue to a foundation under the following conditions:

- (1) The foundation is a charitable nonprofit community foundation.
- (2) The foundation retains all rights to the donation, including investment powers.
- (3) The foundation agrees to do the following:
  - (A) Hold the donation as a permanent endowment.
  - (B) Distribute the income from the donation only to the unit as directed by resolution of the fiscal body of the unit.
  - (C) Return the donation to the general fund of the unit if the foundation:
    - (i) loses the foundation's status as a public charitable organization;
    - (ii) is liquidated; or
    - (iii) violates any condition of the endowment set by the fiscal body of the unit.

SECTION 256. IC 36-7-11-4.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.3. (a) An ordinance that establishes a historic preservation commission under section 4 **or 4.5** of this chapter may authorize the staff of the commission, on behalf of the commission, to grant or deny an application for a certificate of appropriateness.

(b) An ordinance adopted under this section must specify the types of applications that the staff of the commission is authorized to grant or deny. The staff may not be authorized to grant or deny an application for a certificate of appropriateness for the following:

- (1) The demolition of a building.

- (2) The moving of a building.
- (3) The construction of an addition to a building.
- (4) The construction of a new building.

SECTION 257. IC 36-7-11-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 4.5. (a) This section applies to the following towns located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000):**

- (1) A town having a population of more than one thousand five hundred (1,500) but less than two thousand two hundred (2,200).**
- (2) A town having a population of less than one thousand five hundred (1,500).**

**(b) The towns described in subsection (a) may enter into an interlocal agreement under IC 36-1-7 to establish a joint historic district under this chapter. An ordinance entering into the interlocal agreement must provide for the following membership of a joint historic preservation commission to administer the joint historic district:**

- (1) A member of the town council of a town described in subsection (a)(1).**
- (2) A member of the town council of a town described in subsection (a)(2).**
- (3) The owner of a historic resort hotel located in a town described in subsection (a)(1) or the owner's designee.**
- (4) The owner of a historic resort hotel located in a town described in subsection (a)(2) or the owner's designee.**
- (5) An individual appointed by the Historic Landmarks Foundation of Indiana.**
- (6) An individual who resides in the county described in subsection (a) appointed by the town council of a town described in subsection (a)(1).**
- (7) An individual who resides in the county described in subsection (a) appointed by the town council of a town described in subsection (a)(2).**

**The members described in subdivisions (1) and (2) shall be appointed by the town councils of the respective towns.**

**(c) A member of the commission described in subsection (b)(1) or (b)(2) shall serve for the duration of the member's term of office on the town council. The members described in subsection (b)(5) through (b)(7) shall each serve for a term of three (3) years. However, the terms of the original voting members may be for one (1) year, two (2) years, or three (3) years in order for the terms to be staggered, as provided by the ordinance. A vacancy shall be filled for the duration of the term by the original appointing authority.**

**(d) The ordinance may provide qualifications for members of**

the commission described in subsection (b)(6) and (b)(7). In addition, the members appointed under subsection (b)(6) and (b)(7) must be residents of the county that are interested in the preservation and development of historic areas. The members of the commission should include professionals in the disciplines of architectural history, planning, and other disciplines related to historic preservation, to the extent that those professionals are available in the community. The ordinance may also provide for the appointment of advisory members that the legislative body considers appropriate.

(e) Each member of the commission must, before beginning the discharge of the duties of the member's office, do the following:

(1) Take an oath that the member will faithfully execute the duties of the member's office according to Indiana law and rules adopted under Indiana law.

(2) Provide a bond to the state that:

(A) is approved by the Indiana gaming commission;

(B) is for twenty-five thousand dollars (\$25,000); and

(C) is, after being executed and approved, recorded in the office of the secretary of state.

(f) The ordinance may:

(1) designate an officer or employee of a town described in subsection (a) to act as administrator;

(2) permit the commission to appoint an administrator who shall serve without compensation except reasonable expenses incurred in the performance of the administrator's duties; or

(3) provide that the commission act without the services of an administrator.

(g) Members of the commission shall serve without compensation except for reasonable expenses incurred in the performance of their duties.

(h) The commission shall elect from its membership a chairperson and vice chairperson, who shall serve for one (1) year and may be reelected.

(i) The commission shall adopt rules consistent with this chapter for the transaction of its business. The rules must include the time and place of regular meetings and a procedure for the calling of special meetings. All meetings of the commission must be open to the public, and a public record of the commission's resolutions, proceedings, and actions must be kept. If the commission has an administrator, the administrator shall act as the commission's secretary. If the commission does not have an administrator, the commission shall elect a secretary from its membership.

(j) The commission shall hold regular meetings, at least monthly, except when it has no business pending.

(k) A decision of the commission is subject to judicial review under IC 4-21.5-5 as if it were a decision of a state agency.

(l) Money acquired by the historic preservation commission:

(1) is subject to the laws concerning the deposit and safekeeping of public money; and

(2) must be deposited under the advisory supervision of the state board of finance in the same way and manner, at the same rate of interest, and under the same restrictions as other state money.

(m) The money of the historic preservation commission and the accounts of each officer, employee, or other person entrusted by law with the raising, disposition, or expenditure of the money or part of the money are subject to the following:

(1) Examination by the state board of accounts.

(2) The same penalties and the same provision for publicity that are provided by law for state money and state officers.

SECTION 258. IC 36-7-11-4.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.6. An ordinance that establishes a historic preservation commission under section 4 or 4.5 of this chapter may:

(1) authorize the commission to:

(A) acquire by purchase, gift, grant, bequest, devise, or lease any real or personal property, including easements, that is appropriate for carrying out the purposes of the commission;

(B) hold title to real and personal property; and

(C) sell, lease, rent, or otherwise dispose of real and personal property at a public or private sale on the terms and conditions that the commission considers best; and

(2) establish procedures that the commission must follow in acquiring and disposing of property.

SECTION 259. IC 36-7-11-23 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 23. (a) This section applies to a historic preservation commission established by section 4.5 of this chapter.

(b) In addition to the commission's other duties set forth in this chapter, the commission shall do the following:

(1) Designate a fiscal agent who must be the fiscal officer of one (1) of the towns described in section 4.5(a) of this chapter.

(2) Employ professional staff to assist the commission in carrying out its duties under this section.

(3) Engage consultants, attorneys, accountants, and other professionals necessary to carry out the commission's duties under this section.

(4) Own the riverboat license described in IC 4-33-6-1(a)(6).

(5) Develop requests for proposals for persons interested in operating and managing the riverboat authorized under IC 4-33 on behalf of the commission as the riverboat's licensed operating agent.

(6) Recommend a person to the Indiana gaming commission



that the historic preservation commission believes will:

(A) promote the most economic development in the area surrounding the historic district;

(B) best meet the criteria set forth in IC 4-33-6-4; and

(C) best serve the interests of the citizens of Indiana.

However, the Indiana gaming commission is not bound by the recommendation of the historic preservation commission.

SECTION 260. IC 36-7-11-24 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 24. (a) This section applies to a historic preservation commission established by section 4.5 of this chapter.

(b) In addition to the commission's other powers set forth in this chapter, the commission shall do the following:

(1) Enter contracts to carry out the commission's duties under section 23 of this chapter, including contracts for the construction, maintenance, operation, and management of a riverboat to be operated in the historic district under IC 4-33.

(2) Provide recommendations to the Indiana gaming commission concerning the operation and management of a riverboat to be operated in the historic district under IC 4-33.

(c) This section may not be construed to limit the powers of the Indiana gaming commission with respect to the administration and regulation of riverboat gaming under IC 4-33.

SECTION 261. IC 36-7-11.4 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

#### **Chapter 11.4. Community Trust Fund**

Sec. 1. This section applies to a historic district established by IC 36-7-11-4.5.

Sec. 2. As used in this chapter, "fund" refers to the community trust fund established by section 4 of this chapter.

Sec. 3. As used in this chapter, "historic preservation commission" refers to the historic preservation commission described in IC 36-7-11-4.5.

Sec. 4. (a) The community trust fund is established.

(b) The fund consists of the following:

(1) Money disbursed from the historic preservation commission.

(2) Donations.

(3) Interest and dividends on assets of the fund.

(4) Money transferred to the fund from other funds.

(5) Money from any other source.

Sec. 5. (a) The historic preservation commission shall manage and develop the fund and the assets of the fund.

(b) The historic preservation commission shall do the following:

(1) Establish a policy for the investment of the fund's assets.

(2) Perform other tasks consistent with prudent management

and development of the fund.

Sec. 6. (a) Subject to the investment policy of the historic preservation commission, the fiscal agent appointed by the historic preservation commission shall administer the fund and invest the money in the fund.

(b) The expenses of administering the fund and implementing this chapter shall be paid from the fund.

(c) Money in the fund that is not currently needed to meet the obligations of the fund may be invested in the same manner as other public funds are invested. Interest that accrues from these investments shall be deposited in the fund.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

Sec. 7. (a) The historic preservation commission has the sole authority to allocate money from the fund for the following purposes:

(1) The preservation, restoration, maintenance, operation, and development of the French Lick historic resort hotel.

(2) The preservation, restoration, maintenance, operation, and development of the West Baden historic resort hotel.

(3) Infrastructure projects and other related improvements in the surrounding community.

(b) Money allocated under subsection (a)(1) and (a)(2) must be divided equally between the two (2) historic resort hotels.

Sec. 8. The historic preservation commission shall prepare an annual report concerning the fund and submit the report to the legislative council before October 1 of each year. The report is a public record."

Page 222, delete lines 18 through 19, begin a new paragraph and insert:

"SECTION 171. THE FOLLOWING ARE REPEALED [EFFECTIVE UPON PASSAGE]: IC 4-33-2-8; IC 4-33-4-19; IC 4-33-9-2.

SECTION 172. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2002]: IC 4-12-9-4; IC 4-33-12-1; IC 4-33-12-2; IC 4-33-12-3; IC 4-33-12-4; IC 4-33-12-5; IC 4-33-12-6; IC 4-33-15."

Page 222, line 24, after "IC 6-3.1-21-7;" insert "IC 6-3.1-21-10;"

Page 222, between lines 24 and 25, begin a new paragraph and insert:

"SECTION 289. [EFFECTIVE JULY 1, 2002] The riverboat admissions tax may not be collected after June 30, 2002.

SECTION 290. [EFFECTIVE JULY 1, 2002] (a) The Indiana gaming commission shall adopt the emergency rules required under IC 4-31-7.5-11, as added by this act, before January 1, 2003.

(b) This SECTION expires January 31, 2003.

SECTION 291. [EFFECTIVE UPON PASSAGE] (a) The Indiana

gaming commission shall adopt a resolution authorizing a riverboat licensed under IC 4-33 to permit the continuous ingress and egress of patrons for the purpose of gambling. The commission may exercise any power necessary to implement this act under a resolution authorized under this SECTION.

(b) This SECTION expires December 31, 2002.

SECTION 292. [EFFECTIVE UPON PASSAGE] (a) If the Indiana gaming commission determines that a permit holder has met the requirements of this act, the Indiana gaming commission shall adopt a resolution authorizing a permit holder to sell pari-mutuel pull tabs under IC 4-31-7.5, as added by this act. The commission may exercise any power necessary to implement this act under a resolution authorized under this SECTION.

(b) This SECTION expires December 31, 2002."

Page 222, delete line 42.

Page 223, delete lines 1 through 40.

Page 224, line 10, delete "December 31" and insert "**November 30**".

Page 224, line 14, delete "January 1, 2003" and insert "**December 1, 2002**".

Page 224, line 16, delete "January 1, 2003" and insert "**December 1, 2002**".

Page 224, line 17, delete "January 1," and insert "**December 1, 2002**".

Page 224, line 18, delete "2003".

Page 224, line 19, delete "December 31" and insert "**November 30**".

Page 226, delete lines 38 through 42.

Page 227, delete lines 1 through 16.

Page 228, between lines 12 and 13, begin a new paragraph and insert:

"SECTION 304. [EFFECTIVE JULY 1, 2002] **The multifamily dwelling complex deduction under IC 6-1.1-12-43, as added by this act, initially applies to property taxes first due and payable in 2003.**".

Page 228, delete lines 17 through 19.

Page 228, delete lines 24 through 26, begin a new paragraph and insert:

"SECTION 308. [EFFECTIVE JULY 1, 2002] **IC 6-3.1-25, as added by this act, applies to taxable years beginning after December 31, 2002.**".

Page 228, delete lines 32 through 42, begin a new paragraph and insert:

"SECTION 310. [EFFECTIVE UPON PASSAGE] (a) **Notwithstanding IC 4-12-1-12, IC 4-13-2-18, or any other law or rule, the appropriation made in P.L.291-2001, SECTION 7, FOR THE FAMILY AND SOCIAL SERVICES ADMINISTRATION, AGING AND DISABILITY SERVICES, C.H.O.I.C.E IN-HOME SERVICES, Total Operating Expense for FY 2001-2002, is**

1 automatically allotted in an amount representing a prorated share  
 2 of the total FY 2001-2002 appropriation for the amount of time  
 3 remaining in FY 2001-2002.

4 (b) Notwithstanding IC 4-12-1-12, IC 4-13-2-18, or any other  
 5 law or regulation, the appropriation made in P.L.291-2001,  
 6 SECTION 7, FOR THE FAMILY AND SOCIAL SERVICES  
 7 ADMINISTRATION, AGING AND DISABILITY SERVICES,  
 8 C.H.O.I.C.E. IN-HOME SERVICES, Total Operating Expense for  
 9 FY 2002-2003, is automatically allotted on a quarterly basis for the  
 10 fiscal year beginning July 1, 2002, and ending June 30, 2003.

11 (c) Notwithstanding P.L.219-2001, SECTION 7, the  
 12 appropriation FOR THE FAMILY AND SOCIAL SERVICES  
 13 ADMINISTRATION, EARLY CHILDHOOD INTERVENTION  
 14 SERVICES/PROJECT SAFEPLACE, Total Operating Expense for  
 15 FY 2002-2003 is \$0 and not \$6,583,433.

16 (d) There is appropriated to the family and social services  
 17 administration six million four hundred fifty-eight thousand four  
 18 hundred thirty-three dollars (\$6,458,433) for total operating  
 19 expense from the state general fund for early childhood  
 20 intervention services for the state fiscal year beginning July 1,  
 21 2002, and ending June 30, 2003.

22 (e) There is appropriated to the family and social services  
 23 administration one hundred twenty-five thousand dollars  
 24 (\$125,000) for total operating expense from the state general fund  
 25 for project safeplace for the state fiscal year beginning July 1,  
 26 2002, and ending June 30, 2003.

27 (f) Notwithstanding IC 4-12-1-12, IC 4-13-2-18, or any other law  
 28 or rule, the appropriation of one hundred twenty-five thousand  
 29 dollars (\$125,000) for project safeplace made in subsection (e) for  
 30 FY 2002-2003, is automatically allotted on a quarterly basis for the  
 31 state fiscal year beginning July 1, 2002, and ending June 30, 2003.

32 (g) Notwithstanding IC 4-12-1-12, IC 4-13-2-18, or any other  
 33 law or rule, the appropriation of one million two hundred fifty  
 34 thousand dollars (\$1,250,000) FOR THE FAMILY AND SOCIAL  
 35 SERVICES ADMINISTRATION, YOUTH SERVICES BUREAU,  
 36 Total Operating Expense made in P.L.291-2001, SECTION 7, for  
 37 FY 2002-2003, is automatically allotted on a quarterly basis for the  
 38 state fiscal year beginning July 1, 2002, and ending June 30, 2003.

39 (h) Notwithstanding IC 4-12-1-12, IC 4-13-2-18, or any other  
 40 law or rule, the general fund appropriation of one million dollars  
 41 (\$1,000,000) FOR THE FAMILY AND SOCIAL SERVICES  
 42 ADMINISTRATION, DOMESTIC VIOLENCE PREVENTION  
 43 AND TREATMENT PROGRAM, Total Operating Expense made  
 44 in P.L.291-2001, SECTION 7, for FY 2002-2003, is automatically  
 45 allotted on a quarterly basis for the state fiscal year beginning July  
 46 1, 2002, and ending June 30, 2003.

47 (i) It is the intent of the general assembly that the  
 48 appropriations allotted in this SECTION be distributed or

otherwise expended in conformity with the appropriation allotments as provided by this SECTION as soon as possible after the effective date of this SECTION. The state agency to which the money is appropriated must spend the money as appropriated without any reversion at the end of the state fiscal year. All procedures related to the allotment and distribution of the money for appropriated expenditures shall be treated as clerical functions without any statutory discretion.

(j) Notwithstanding IC 4-9.1-1-7 or any other law granting power to the state board of finance or another entity or official in the executive department of state government to transfer money among funds or between appropriations, money related to the appropriation allotments in this SECTION may not be transferred for any purpose other than the purposes described in this SECTION and may not be used for any appropriation.

(k) Notwithstanding IC 4-12-1-12, IC 4-13-2-18, or any other law, policy, practice, or rule granting allotment powers or powers to transfer, assign, or reassign appropriations to:

- (1) the budget director;
- (2) the budget agency; or
- (3) any other entity or public official in the executive department of state government;

no law authorizes the budget agency or any other entity or public official in the executive department of state government to delay or deny allotment, use, or distribution of the appropriations described in this SECTION.

(l) The appropriations described in subsections (a), (b), (f), (g), and (h) of this SECTION shall be treated as automatically allotted for the purposes of the appropriation:

- (1) on the date or occurrence of the event specified in this SECTION; or
- (2) in the absence of a specific date or event for allotment, on the effective date of this SECTION.

An appropriation automatically allotted for one (1) quarter of a state fiscal year and not fully expended in that quarter remains allotted for expenditure throughout that state fiscal year.

(m) Notwithstanding any law giving discretion to any official to determine when to expend or distribute money appropriated by the general assembly, the state shall expend or distribute the amount of the automatically allotted appropriation as provided in this SECTION or, in the absence of provisions in this SECTION, upon allotment.

(n) If there is insufficient money to make all appropriations made by the general assembly for the state fiscal year beginning July 1, 2002, and ending June 30, 2003, any adjustments in state spending necessary to make the expenditures of automatically allotted appropriations shall be made from appropriations other than the automatically allotted appropriations.

1           **(o) This SECTION expires June 30, 2003.**

2           SECTION 311. [EFFECTIVE JULY 1, 2002] (a) Notwithstanding  
3           IC 4-12-1-14.3, there is appropriated to the office of the secretary  
4           of family and social services, office of Medicaid policy and  
5           planning from the portion of the tobacco settlement money  
6           identified in IC 4-12-1-14.3(f) an amount sufficient for use in  
7           meeting Medicaid expenditures resulting from court settlements  
8           for the period beginning July 1, 2002, and ending June 30, 2004.

9           (b) The office of Medicaid policy and planning shall present  
10          periodic reports detailing proposed expenditures under subsection  
11          (a) to the budget committee. Proposed expenditures may be made  
12          only after budget committee review and budget agency approval  
13          of the report submitted by the office of Medicaid policy and  
14          planning.

15          **(c) This SECTION expires July 1, 2004.**

16          SECTION 312. [EFFECTIVE JULY 1, 2002] The department of  
17          local government finance shall prescribe the forms required under  
18          IC 6-1.1-12-43, as added by this act, before August 31, 2002.

19          SECTION 313. [EFFECTIVE UPON PASSAGE] The funds made  
20          available to Indiana under Section 903 of the Social Security Act,  
21          as amended by Section 209 of the Job Creation and Workers  
22          Assistance Act of 2002, not to exceed one hundred sixty-seven  
23          million five hundred seventy-three thousand twelve dollars  
24          (\$167,573,012) more than the amount set forth in paragraphs (a)  
25          and (d) of P.L.291-2001, SECTION 16, are available for use by the  
26          department of workforce development as prescribed in paragraphs  
27          (b) and (c) of P.L.291-2001, SECTION 16.

28          SECTION 314. [EFFECTIVE UPON PASSAGE] In addition to  
29          the requirements of any other law concerning procedures for the  
30          closure of Muscatatuck State Developmental Center, the director  
31          of the division of disability, aging, and rehabilitative services may  
32          not complete the closure of Muscatatuck State Developmental  
33          Center until residents of the center are placed in adequate  
34          placements that meet the following criteria:

35                (1) The placements must appropriately meet the capabilities  
36                and needs of the residents.

37                (2) The placements must be located reasonably close to the  
38                families of residents so that the families may maintain the  
39                same level of contact with the residents that the families had  
40                before the residents were transferred from Muscatatuck State  
41                Developmental Center.

42                (3) The placements must be presented to and approved by the  
43                individual or the individual's representative.

44          If there is a conflict between the provisions of this SECTION and  
45          SEA 217-2002 with respect to the criteria for the placements  
46          described in this SECTION, it is the intent of the general assembly  
47          that the criteria listed in this SECTION apply instead of those  
48          listed in SEA 217-2002.

1       SECTION 315. [EFFECTIVE JULY 1, 2001 (RETROACTIVE)] (a)  
2       **Notwithstanding any notice sent after June 30, 2001, the division**  
3       **of mental health and addiction may not terminate or lay off any**  
4       **employee at the Evansville State Psychiatric Treatment Center for**  
5       **Children after June 30, 2001, solely as a part of a staff reduction**  
6       **plan.**

7       (b) Notwithstanding any other statute or policy, any employee  
8       at the Evansville State Psychiatric Treatment Center for Children  
9       terminated or laid off after June 30, 2001, solely as a part of a staff  
10      reduction plan shall have a preference for recall or reemployment  
11      at the facility.

12      (c) This SECTION does not prohibit, after June 30, 2001, the  
13      termination of the employment of an employee for cause in  
14      accordance with IC 4-15-2. However, the division of mental health  
15      and addiction shall fill a vacancy created by the termination so that  
16      the staffing levels at the Evansville State Psychiatric Treatment  
17      Center for Children are not reduced below the staffing levels in  
18      effect on January 1, 2002."

19      Page 229, delete line 1.

20      Renumber all SECTIONS consecutively.

(Reference is to EHB 1001(ss) as printed June 13, 2002.)

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Senator SIMPSON